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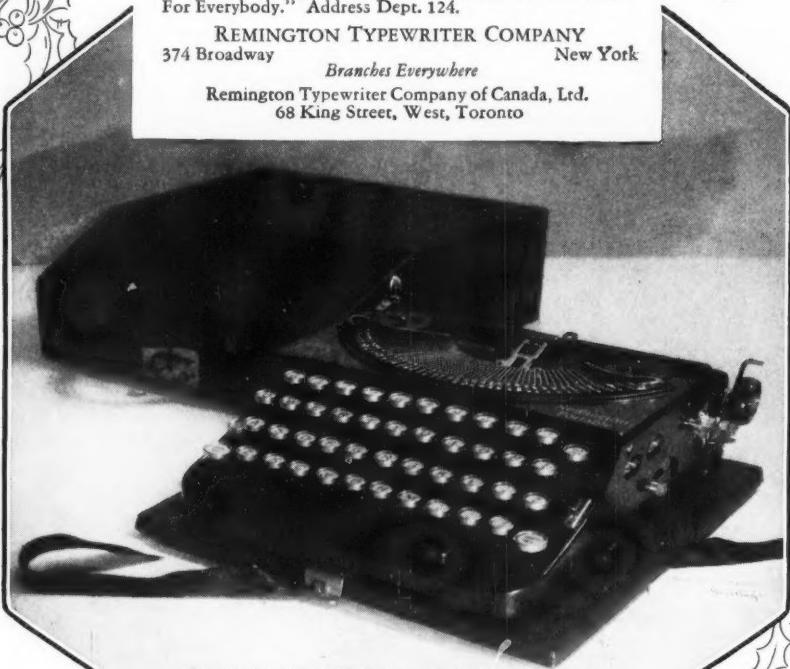
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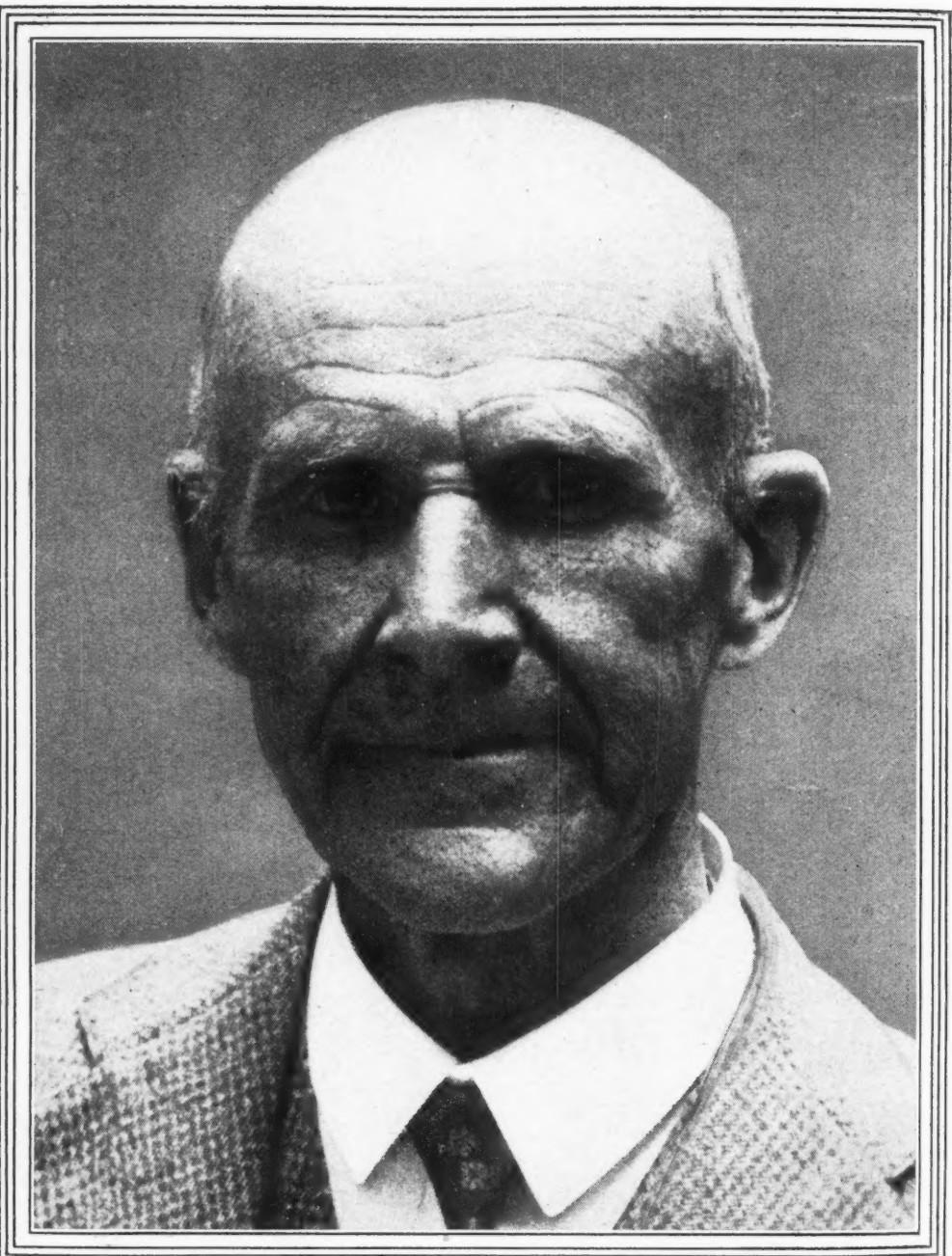
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EUGENE VICTOR DEBS

A conspicuous figure in American history, who died
on Oct. 20, 1926

[Article by Norman Thomas, on page 373]





CURRENT HISTORY

INCLUDING THE HISTORIANS' CHRONICLE OF THE WORLD

Vol. XXV.

DECEMBER, 1926

Number 3

Europe's Moral and Material Obligations to America

By LOUIS E. VAN NORMAN

A Commercial Attaché of the Bureau of Foreign and Domestic Commerce, United States Department of Commerce

IS Uncle Sam a Shylock? Did we Americans desert the world after Versailles, when the battle of guns was over and the greater battle of peace had begun? Travelers returning from Europe tell us unpleasant stories of our growing unpopularity there, and the European press seems almost in accord in pronouncing us hard-hearted and mercenary. What are the facts? Europe is recovering from her war losses. No one can travel on the Continent today without realizing—for the first time since 1918—that the war is over. In its general lines, this story of the rebuilding to date makes interesting reading and justifies us Americans in feeling well satisfied over our part in it.

Our part has been, in the main, unofficial. America in the sense that Continental

Europe thought of us after the fighting ceased has not participated as a national unit. Some of our people believe that the United States as a Government and as a nation should have done so. But it is just because of the honest difference of opinion among our people as to the effectiveness of our traditional policy toward the rest of the world that our Government has not taken official part. Nevertheless, our Government has shown unparalleled generosity to individuals in need in Europe. If the older continent can forget, we never will—the general food relief of 1919 and the years that followed, as well as the Russian relief, which, taken together, meant a collection and expenditure of close to \$1,000,000,000.

There have been to date eight acts in

this drama of rebuilding and in every act Americans have played some of the premier rôles. It was necessary, first, to meet urgent physical needs; to feed the hungry and put clothes on the backs of the unfortunate tens of thousands in vast areas of Middle and Eastern Europe. Closely following came the thorny problem of reparations, and this, again, was bound up with debt settlements. Then the Old World stood in sore need of the advice of our technical experts and financiers. Our people were called upon to extend loans to stabilize currencies and to restore the gold standard. Then came the loud call for aid to private industrial enterprises, which later made it possible to plan for engineering and other construction works, such as railroads, ports, waterworks and hydroelectric power development. Finally, there was much work of an educational and sanitation character, such as that done by various foundations and other private funds. It will be interesting to recall how our people responded to these calls for assistance.

Europe's war needs were met and her destitute population housed and fed during hostilities and immediately after the armistice partly through loans made to European Governments by the Government of the United States and partly through private American charity. Our Government sold Liberty bonds to our people, who poured out their money for this purpose to the total of more than \$10,000,000,000. A large proportion of this amount (in the cases of France, Belgium and Italy the largest proportion) was for post-armistice needs and cannot by any fair or reasonable interpretation be called advances for our own protection in lieu of men and war material, as has so often been claimed in Europe. Many of these obligations have now been funded. With principal and accrued interest, on July 1 last they totaled close to \$12,000,000,000. Capitalized today on the settlement terms, they would not represent much more than one-third of this sum. As a matter of fact, in many cases we have wiped off the slate all

strictly speaking war debts and are asking only for the repayment of post-armistice obligations at a low rate of interest.

RELIEF WORK

This is not the place to recount in detail the extraordinary achievements of the American Relief Administration, the Red Cross, the Quakers, the Young Men's Christian Association, the Jewish Joint Distribution Committee and other humanitarian agencies in Belgium, Russia, Poland, Yugoslavia and other lands shaken by the horrors of war. The work of the Commission for Relief in Belgium during the war is well known.

Almost an entire continent urgently needed food. Food supplies in quantities and kinds immediately available could be found only in the United States. It was distinctly our responsibility to furnish these supplies and at the same time to help Europe resume production for herself. Our people responded instantly and lavishly. No measure can be applied to the value of our services to hungry and scantily clad Europe, but it is conservative to say that hundreds of millions of dollars were poured out for that purpose.

Under Herbert Hoover, as Allied Director of Relief, the work began with Germany, as the keystone of the arch, so far as feeding the Continent was concerned. In view of her indispensable function in the Continent's industrial production, Germany presented a task worthy of the statesmanly Hoover. Hungry, without clothing or fuel, with her jobless thousands and her hordes of unemployable soldiers, she was a great social peril to all Europe. It was imperative that she be viewed in the light of the changed mood of her people and that she be prevented from drifting into Bolshevism. Moreover, she had to be helped to pay for what she got, and from the first all her hope rested in America. Other countries also needed to be fed. More than forty million mobilized men had to be helped back from a war status to productive labor. At the same

time, millions of American food producers had to be saved from staggering losses in perishable foods by releasing their products for shipment to Europe when and where needed. Working together from Paris, the United States Grain Corporation, the American Relief Administration and the British Ministry of Food, accomplished the gigantic task.

The Allied Director of Relief had to take over the temporary control of all the railroads of Central and Southern Europe. He had to establish and control some 10,000 miles of telegraph and telephone lines; to arrange barge shipments on the Danube, the Elbe and the Vistula; to arrange for the exchange of food commodities across tariff and embargo barriers between the central and southern European States; to effect the shipment of certain United States Army stocks to France; to ship and distribute considerable quantities of American Red Cross clothing; to establish and administer a temporary exchange system with the United States, by which Americans were enabled to send some \$7,000,000 to relatives in impoverished countries; to assist in the importation of raw materials; and, in general, to take charge of restorative machinery as yet not functioning under the new Governments. "For the first time in history, it fell to the duty of one group of men to calculate the food resources of the world, to secure the surpluses, and with them to feed a score of nations."

HELP FOR RUSSIA

From Germany, the great relief machinery turned its attention to Russia. In the space of two years the Relief Administration, sustained by the great heart of the American people, aided by the cooperation of the Soviet Government, carried 1,000,000 tons of food, seed, clothing and medical supplies, in 250 voyages of American ships, amounting to 60,000 carloads on the Russian railways, and fed, at one time,



A BRITISH VIEW

(The American Secretary of the Treasury Says That the War Debts Are No Burden to the European Nations.)
(Uncle Sam: "Buck Up, John Bull! You Only Think It Is Heavy.")

—Glasgow Evening Times.

nearly 11,000,000 men, women and children daily. The A. R. A. fought disease, planted grain fields and gave the urge for the production of human food for nearly one hundred million people. This work, which utilized more than \$66,000,000 from American sympathizers, was carried out by "three hundred men, stretched in a chain from New York to Astrachan, who, for fine spirit, clearness of character, devotion, resourcefulness and ability, have been unequaled." They did a fine job, of which their country will ever be proud. Is it too much to say that they made possible the regeneration of Russia? The same story is to be told of the A. R. A. and other organizations in their work in other lands of war-torn Europe, in Poland, Yugoslavia, Rumania, Austria, Hungary, Czechoslovakia and Finland, as well as in the small

Baltic republics and in Northern France, and, finally—through the Near East Relief—in Armenia.

Supported in the beginning by a United States Congressional appropriation of \$100,000,000 (part of which was later returned) these associated philanthropic agencies referred to above transported and distributed food and other relief supplies to these needy people of the Old World to a total value of more than \$900,000,000. With the later efforts, also under private auspices, this huge total has been swelled to a billion.

The Dawes plan was the first concrete expression of American participation in the economic salvage of Europe. While our worthy Vice President has the honor of being named in the title of this scheme, the unmentioned ones should not be forgotten—the modest privates in the ranks, the practical economists, the business men, the students of finance, who worked in the background. As cooperators with General Dawes, the presiding officer of the committee, history will remember Rufus Dawes, his brother, chief of the technical experts, and those other Americans, Owen D. Young, Seymour Parker Gilbert (now Agent General of Reparations), and Henry M. Robinson. The technical experts were Professor Edwin M. Kemmerer of Princeton (of whom more later); Joseph S. Davis, food expert, and Leonard Ayers, banker and statistician. The part played by Commercial Attachés of the Bureau of Foreign and Domestic Commerce at London, Paris and Berlin was also important. According to the general verdict, during its first two years (which ended on Aug. 30, 1926), the Dawes plan has been a gratifying success, politically, technically and economically. The first year's obligations were met on time; and, on Sept. 1, 1926, the Agent General of Reparation Payments announced that the second year's annuity (\$1,220,000,000 gold marks, or \$291,000,000) had been paid.

The formulation of a scheme acceptable to both creditors and debtors, one which would put the problem of war reparations on a working basis, was bound to have a profound psychological effect on the entire world. That is just what the Dawes

plan did. As a result the German mark has been stabilized, the gold standard has been restored and the German people have been set to work under as favorable circumstances as possible to earn the money wherewith to pay their obligations. With the reparations bugbear out of the way, debt settlement became possible; loans and credits became practicable. A more rational state of mind was soon evident. A better era dawned, and the entire Continent took on a new life. The salvation of Europe—many of the most important contributions to which came from American initiative and leadership—had begun. The Dawes Committee of Experts was unanimous in its opinion that a new financial institution must be set up in Germany—the Reichsbank—to which all the gold proceeds of the German Government loan (America's share being \$110,000,000) should be entrusted. This put the currency of the Reich on a gold basis.

GOLD STANDARD RESTORED

Although Germany, under the urge of the Dawes plan, led off in this return to gold, the first nation voluntarily to go back to the single standard was the Union of South Africa. At the invitation of the South African Minister of Finance, Dr. Edwin W. Kemmerer, Professor of Economics and Finance at Princeton University, and Dr. George Vissering, President of the Netherlands Bank, were requested to "investigate the question of the restoration of the gold standard by the Union," independently of the United Kingdom. The commission recommended that, beginning with July 1, 1925, the Union of South Africa should resume gold payments. Some months later Great Britain herself returned once more to the gold standard. Dr. Kemmerer has acted as adviser to eight different countries in helping them rehabilitate their finances. Recently he went to Poland to help straighten out the financial problems of that new republic. American bankers subscribed \$10,000,000 to the Government of Finland to enable it to reintroduce the gold standard, as of Jan. 1, 1926; and Sweden also received a loan of \$30,000,000, which helped her to return to gold.

American capital flowed in generously to put almost destitute little Austria on her feet. Of the Austrian Reconstruction Loan of \$135,000,000 called for by the League of Nations program—our share was \$25,000,000. Besides this, our investors took bonds in Austrian mining and electric development companies, the operating of which (it is hoped in Vienna) will go a long way toward freeing Austria from her fear of a perpetual coal famine, since her former supplies are now within the boundaries of Czechoslovakia. There were other loans to Austria, bringing the total to date up to \$28,500,000, exclusive of the reconstruction loan. A foreign loan was required to carry out the reconstruction program of Hungary, of which the American share was \$9,000,000. Mr. Jeremiah Smith, a prominent Boston attorney, was selected as Commissioner General of the League of Nations for Hungary, to administer this reconstruction plan. Mr. Smith completed his work successfully last Summer and earned the amazed gratitude of the Hungarian people by declining to accept the honorarium of \$100,000 which was tendered him. Since then \$13,000,000 more has been lent by private American investors to Hungarian municipalities and industrial enterprises.

We come to the investment of money in the form of private loans which have been made to European countries since the war. These loans have cured sick finances, steadied exchanges, revived prostrate industries and built new ones, developed



However, It Might Be a Good Idea to Give the Cow More Rope
—Winston-Salem (N. C.) Journal

natural resources, repaired and expanded railways, modernized municipal utilities and constructed all sorts of engineering work. The sum total of the American share in this rebuilding of the older Continent runs well above \$2,000,000,000.

Our first loan of any magnitude to a European Government after the war was our share (\$110,000,000—the largest share) in the Reparation Gold Loan to Germany in working out the Dawes plan. This was under official auspices. Since then private American capital has flowed into the German States and cities for the rebuilding made necessary by the Great War. The largest individual loans in this list (up to July 1, 1926) and including private industries, as well as Government and municipal issues, were to the City of Berlin, the Saxon Public Works, Incorpor-

rated, the Government of Bavaria, and the Consolidated German Savings Bank, for \$15,000,000 each, the Rhein Elbe Union for \$25,000,000, and the Central Bank for Agriculture for \$19,000,000. Various other German municipal loans, as well as some for industrial enterprises, include \$20,000,000 to the German General Electric Corporation, \$10,000,000 to the Rhine-Westphalia Electric Power Company, \$10,000,000 to the Krupps, \$10,000,000 to Thyssens and \$30,000,000 to the United Steel Works Corporation. There was also \$15,000,000 lent to the Bavarian Government. There were many other loans and the total was a little more than \$500,000,000. This indicates the financial stake which our private investors have already taken in the German return to pre-war status. American capital has not, as a rule, taken control in European countries. Thus, of more than \$300,000,000 of German corporate securities thus far publicly offered in the United States, practically all are bonds and minority blocks of stock. Germans retain control. Ours is a business investment, nothing more.

CREDITS TO FRANCE AND ITALY

The credit of \$100,000,000 to France, through the Morgan banking group, with the object of protecting the franc, should not be forgotten, although how much it has been utilized for this purpose is not very definitely known. The mere fact of its existence and availability seemed to have the effect of "pegging" the franc for a long period. There was a similar loan to Italy of \$100,000,000 to help the lira. It is generally admitted in Europe that the Morgan loans of \$100,000,000 each to France and Italy have been the chief factors in stabilizing, or approximately stabilizing, the franc and the lira. The Belgian franc also has been affected, since the Belgian unit moves more or less in sympathy with French and Italian exchange. Our investors, however, lent Belgium \$50,000,000 in 1925, and on Oct. 26 another \$50,000,000 loan was floated in the United States, making a total of Belgian Government securities held in this country of \$260,000,000. The best known chemical enterprise in Belgium obtained an

American loan in 1924 of \$10,000,000 for the betterment and extension of its business. Loans were made for this purpose also to Sweden and Denmark, \$38,500,000 going to the latter, making a total of more than \$75,000,000 loaned to Denmark for various purposes. In 1923 a group of American banks extended a large credit to the National Bank of Denmark for stabilizing exchange, and early last year a fund credit of \$40,000,000 was placed at the disposal of the bank for similar purposes.

Besides the Morgan loan to France already referred to there were a number of loans to French railroads during 1924 and 1925. In 1924 the Paris-Lyons-Méditerranée and the Paris-Orléans loans were floated in the United States. In the same year the French National Mail Steamship Company and a well-known electrical concern of Paris obtained funds in the United States, and in 1925 the East Railway of France floated a loan for \$20,000,000 in New York. In 1921 the cities of Albert, Rheims and Verdun floated loans for 25,000,000, 120,000,000 and 55,000,000 francs respectively in the American market, with interest and repayment guaranteed by French Government annuities. Other French cities, including Bordeaux, Lyons and Marseilles, as well as one department, borrowed some \$75,000,000. Later generous contributions were made by American private capital toward the rebuilding of cities devastated by the war.

The Scandinavian countries (including by extension Finland) suffered almost as many economic ills as a result of the Great War as though they had been belligerents themselves. Their currencies depreciated, their prices rose to cruel heights. More than one industry was prostrated, and trade went glimmering. In all these countries private American funds have aided in financial and industrial recuperation. In all of them except Norway, American capital has been intimately identified in stabilizing exchange. The help given to private industrial enterprises in these countries has been extensive. For the foundation of a Finnish industrial mortgage bank, \$80,000,000 was provided in long-term loans to revive industry. A credit for \$6,500,000 (supervised by the

STATEMENT SHOWING PRINCIPAL AMOUNT OF PRE-ARMISTICE AND Post-ARMISTICE INDEBTEDNESS OF FOREIGN GOVERNMENTS
TO THE UNITED STATES, REPAYMENTS ON ACCOUNT THEREOF AND NET INDEBTEDNESS TO DATE OR AS OF THE DATE OF FUNDING

Country	Pre-Armistice		Post-Armistice		Total Indebtedness	Repayments of Principal	Net Indebtedness
	Cash Loans	Cash Loans	War Supplies and Relief Supplies				
Armenia .....	.....	.....	\$11,959,917.49		\$11,959,917.49	.....	\$11,959,917.49
Austria	\$171,780,000.00	.....	24,055,708.92		24,055,708.92	.....	24,055,708.92
Belgium	10,000,000.00	.....	29,872,732.54	379,087,200.43	\$2,057,630.37	.....	377,039,570.06
Cuba .....	.....	.....	29,905,629.93	10,000,000.00	10,000,000.00	.....	91,879,671.03
Czechoslovakia .....	.....	61,974,041.10	13,999,145.60	13,999,145.60	.....	.....	13,999,145.60
Estonia .....	.....	.....	8,281,926.17	8,281,926.17	.....	.....	8,281,926.17
Finland	1,970,000,000.00	1,027,477,900.00	407,341,145.01	3,404,818,945.01	64,302,901.29	.....	3,340,516,043.72
France	3,696,000,000.00	581,000,000.00	.....	4,277,000,000.00	202,181,641.56	.....	4,074,818,358.44
Great Britain .....	.....	15,000,000.00	.....	15,000,000.00	.....	.....	15,000,000.00
Greece .....	.....	.....	1,685,835.61	1,685,835.61	.....	.....	1,685,835.61
Hungary	1,031,000,000.00	617,034,050.90	5,132,287.14	1,648,034,050.90	364,319.28	.....	1,647,669,731.62
Italy .....	.....	.....	26,000.00	5,132,287.14	5,132,287.14	.....	5,132,287.14
Latvia .....	.....	.....	.....	26,000.00	.....	.....	26,000.00
Liberia .....	.....	.....	.....	4,981,628.03	.....	.....	4,981,628.03
Lithuania .....	.....	.....	.....	166,604.14	166,604.14	.....	166,604.14
Nicaragua .....	.....	.....	.....	159,666,972.39	159,666,972.39	.....	159,666,972.39
Poland .....	.....	.....	.....	12,922,675.42	12,922,675.42	.....	12,922,675.42
Romania	187,729,750.00	25,000,000.00	.....	4,871,547.37	4,871,547.37	.....	4,871,547.37
Russia	10,605,000.00	16,175,465.56	24,978,020.99	51,758,486.55	51,758,486.55	.....	51,758,486.55
Yugoslavia .....	.....	.....	.....	720,600.16	720,600.16	.....	720,600.16
Total.....	\$7,077,114,750.00	\$2,521,121,825.45	.....	\$739,821,776.76	\$10,358,058,352.20	.....	\$281,564,445.83
REPAYMENTS—							
Belgium .....	.....	\$2,003,659.21	.....	\$53,971.16	.....	.....	\$2,057,630.37
Cuba	\$10,000,000.00	.....	.....	.....	.....	.....	10,000,000.00
France	130,010,580.14	64,302,901.29	72,171,061.42	.....	64,302,901.29	.....	64,302,901.29
Great Britain .....	.....	.....	364,319.28	.....	202,181,641.56	.....	202,181,641.56
Italy .....	.....	.....	.....	138,721.15	.....	.....	364,319.28
Nicaragua .....	.....	.....	1,798,632.02	.....	138,721.15	.....	138,721.15
Rumania .....	.....	.....	720,600.16	.....	1,798,632.02	.....	1,798,632.02
Yugoslavia .....	.....	.....	.....	.....	720,600.16	.....	720,600.16
Total.....	\$140,010,580.14	\$141,361,173.38	.....	\$192,692.31	.....	.....	\$281,564,445.83

Credit of \$1,932,923.45 allowed Estonia by Funding Agreement not deducted above. Obligations for war and relief supplies acquired largely in 1919 and 1920.

Bank of Finland) enables timber companies to carry on their logging and milling activities and to find a market for their finished products. In Norway, American capital has helped in reconstructing the largest aluminum mill by subscribing to new capital issues, as it has also done in the Norwegian iron alloy industry, both of which are now very active. In Denmark an American loan has been extended to the Copenhagen Telephone Company, to a shipbuilding concern and to the largest machinery dealers. Altogether, to the Norwegian Government and the municipality of Oslo, the total loan was \$52,000,000, with an additional \$4,000,000 to a private industrial enterprise. And, finally, a Swedish-American investment corporation has taken \$15,000,000 of American capital for industrial enterprises in the homeland.

CAPITAL FOR INDUSTRY

American capital is invested in substantial amounts in Italian industrial enterprises. An American enterprise is financing the construction of hydroelectric plants at various points in the North where a number of such enterprises are now under way with capital furnished by a New York banking group. The total of these loans to Italian industrial enterprises, including steamship lines, power corporations and public utilities, is now more than \$35,000,000.

This same banking and engineering group which has been mentioned as investing in Italian port developments has interested itself in Yugoslavia—the Kingdom of the Serbs, Croats and Slovenes—which, with its 13,000,000 people, has substantial natural resources, but is still not producing up to its possibilities—certainly not enough for export. The country needs ports and railroads, particularly a line connecting the capital, Belgrade, with the Adriatic Sea. The proposed American loan for this general purpose—\$100,000,000, of which \$15,250,000 has already been issued—would have for security revenues from the customs and monopolies. An American is supervising the administration of this loan. There have been other loans, aggregating \$6,000,000. The Czechoslovak Republic borrowed \$57,000,-

000 in 1925, while \$32,000,000 additional went to Czech industrial enterprises.

By the end of 1923 our people had invested in the older Continent \$1,300,000,000. Before twelve months had passed about \$500,000,000 more had been added. At the end of June, 1926, at a conservative estimate, American investments in Europe aggregated at least \$2,600,000,000. Of this amount, in round figures, \$1,850,000,000 was in obligations guaranteed by the Governments of the countries concerned, while direct investments and industrial securities totaled \$750,000,000. During 1926 borrowing by European nations has been about as heavy as it was during 1925 and the two years preceding. It may be said that these private loans have been made to Europe not for philanthropic purposes, but because they are good investments, because the lender believes that security and yield are ample. The fact remains, however, that American financial aid to Europe—regardless of the motive behind the investment—has saved the older Continent from industrial chaos, just as American philanthropy and charity, unequalled in the history of the world, have been the chief factors in saving the morale of the European peoples.

Some of the engineering feats of American capital and technical skill on the Continent have been worthy of special note. Take the case of the Warsaw wireless equipment. During the years immediately following the armistice the Poles complained that they could not talk to the outside world except through German or British news agencies. There was at that time no direct telegraphic communication between Warsaw and the United States and, the Poles insisted, most of the news that reached the American reading public had been filtered through either the British cables or the Nauen (German) radio, and both, again the Poles insisted, were not so much news distributing centres as mediums of anti-Polish propaganda. The Poles, therefore, were anxious for direct wireless connection with the United States. The Radio Corporation of America made an offer which was accepted, and at a cost of some \$3,000,000 a high-powered wireless telegraph station was erected in the out-

skirts of the Polish capital. Warsaw can now talk direct to New York. Besides the \$59,000,000 in loans to the Government of the Polish Republic in 1925, \$20,000,000 was turned over to the International Match Corporation for its Polish operations. Then there is the investment of the W. A. Harriman Company in acquiring a majority interest in the Giesche Copper properties (under the name of the Silesian American Corporation), \$15,000,000 of the bonds of which were offered for sale in this country in September.

EUROPEAN BOND ISSUES

To sum up these private loans financial authorities list 144 different bond issues of European countries (both Governmental and private) offered in the United States from the beginning of the war down to July 1, 1926. Of these ninety-three were for amounts of \$5,000,000 or over, forty were for \$25,000,000 or over and seven were for \$100,000,000 or over. These are included in the large total already given. Austria, Belgium, Denmark, France, Germany, Great Britain, Italy, Netherlands, Norway, Poland, Yugoslavia, Sweden and Switzerland each borrowed more than \$25,000,000, and many municipalities and private commercial enterprises in these countries received more than \$10,000,000 apiece. The list is so long that there is no space for it here. Only a table of figures could give an idea of the total. What we are interested in, moreover, is not the bald figures of investments, but the cumulative weight of our entire effort. The whole field of Europe's economic rehabilitation and development is indebted, to the amount of many millions, to American capital, American expert skill and American financial counsel and cooperation.

American capital and enterprise have modernized the telephone system of Spain and are now developing a vast plan for the drainage and irrigation of the Saloniki plain for the Greek Government. The latter project, now well under way, it is expected will eventually provide homes for at least 25,000 refugee families and go a long way toward solving the food problem for all Greece. American capital and engi-

neering skill are solving the urgent sanitary problem of supplying water to Piraeus and Athens. A contract for the construction of an adequate water system has been awarded to a well-known American construction company. This American corporation will in a way become the spiritual successor of the Roman Emperor Hadrian, who nearly two thousand years ago gave to Athens the only water supply the city had ever had. A high dam will be thrown across the gorge above the Marathon Plain and an underground aqueduct twenty miles long will be drilled through Pentelic marble and Attic soil to carry water to Athens and Piraeus, the capital and port of modern Greece. The aqueduct will follow rather closely to the course of the first Marathon runner who some 2,400 years ago brought the news to Athens that the invading Persians had been rolled back into the sea.

A pervasive and lasting influence for peace and good-will has been exerted by the activities of the various foundations, supported by American capital, which have been active all over the older Continent, in many kinds of scientific, educational, social and philanthropic ways. Outstanding in this field of reconstruction are the labors of the Carnegie Endowment for International Peace and the various activities of the Rockefeller Foundation. The restoration of the Library of Louvain in Belgium and the Cathedral of Rheims in France stand out here. There should also be mentioned the Rockefeller gift of \$10,000,000 to the French Government for the repair of certain other national monuments, including the Palace of Versailles and the Chateau of Fontainebleau. The American foundations have also been of signal service in helping needy intellectuals, in distributing books, in aiding destitute but worthy students, in making health surveys, and in extending assistance to existing hospitals or establishing new ones. It is impossible to estimate even how much has been spent in this work of beneficence.

AID TO DEVASTATED REGIONS

Similar to these activities were the so-called "adoptions" of villages and larger units in France, which had suffered par-

ticularly from the bombardments. Up to the beginning of 1922 some 900 communes had been "adopted" by towns, cities or groups of individuals in France or abroad, and had received some 15,000,000 francs in cash and 4,000,000 in goods. There have been important private subscriptions in the United States for work in the devastated regions of France, but these have not been exactly tabulated. As a rule they have not been expended so much for the physical restoration of the country as for the improvement of educational facilities, the establishment of hospitals, the care of the needy (especially those of tender years), and in making available, at low cost, supplies which have helped the population to the resumption of its normal life. Prominent among the activities of this sort, supported by generous contributions from America, have been those of the American Committee for Devastated France, the Comité France-Amérique and its allied organizations and the Secours Franco-Américain pour la France Dévastée.

An interesting chapter on our help to Europe is that which tells of the keen, technically trained American engineers and experts in economics who, at the invitation of various European Governments, have helped steer the ship of state clear of the rocks in the channel of general economic, particularly industrial, recovery. Colonel William B. Causey for two years had his headquarters in Vienna, from which he was in charge of transportation for the A. R. A. in Austria. Afterward, acting as technical adviser to the Austrian Government in railway matters, he kept international traffic moving across Central Europe with remarkable vigor and success.

He secured coal from Silesia with which to keep Vienna warm and to sustain her industrial life. He saw that food was supplied to the hungry Austrian people and opened up lines of communication by wire as well as by rail, generally throughout this little new Republic. In Prague, Professor Lincoln Hutchinson, formerly of the War Trade Board, afterward Commercial Attaché of the Department of Commerce at London, advised the Czech Government and won its hearty acknowledgments. In Poland, Colonel A. M. Barber, one of Pershing's General Staff during the World War and afterward with Mr. Hoover when the latter was Director of Relief, became Technical Adviser to the Warsaw Government. One of our most capable economists, E. Dana Durand, another A. R. A. man, formerly Director of the Census and now a member of our Bureau staff, studied the food situation for more than two years, counseling the Polish Government how best to develop and wisely administer its food supplies.

Finally, American tourists have made their contribution to Europe's recovery, and it has not been a slight contribution. These tourists, while broadening their own horizons, have helped to bring their country before the eyes of the world. During the year 1925 alone they spent more than \$400,000,000, of which at least \$250,000,000 went to France.

So it goes on steadily. Americans may honestly differ as to the part our Government ought to or wisely can play in Europe's return to full normal health. As individuals, beyond a doubt, Americans will continue to make their contributions to the convalescence of the older Continent.

EUROPEAN CAPITAL FLOTATIONS IN THE UNITED STATES

From The Wall Street Journal.

Name and Year of Maturity.	Amt. Issued	Name and Year of Maturity	Amt. Issued	Name and Year of Maturity	Amt. Issued
Austrian Gov 7s, '43	\$25,000,000	Tyrol Hydro-Elect		Czechoslovakia 7½s,	
Prov Lower Austria 7½s, '50	2,000,000	Power Co. 7½s, '55	\$3,000,000	'45	\$25,000,000
Prov Upper Austria 7s, '45	5,000,000	Brunner Turbine &		Czechoslovakia 8s,	
Prov Styria 7s, '46..	4,000,000	Equip Co. 7½s, '55	4,000,000	'51	14,000,000
City of Graz 8s, '54..	2,500,000	Belgium 6s, '55.....	50,000,000	Czechoslovakia 8s,	
Alpine Montan Steel Corp 7s, '55.....	5,000,000	Belgium 6½s, '49....	30,000,000	'52	9,250,000
Lower Aust Hydro- Elect Power Co. 6½s, '44	3,000,000	Belgium 7s, '55.....	50,000,000	City of Carlsbad 8s, '54	1,500,000
		Belgium 7s, '56.....	50,000,000	City of Greater Prague 7½s, '52...	7,500,000
		Belgium 7½s, '45....	50,000,000	Denmark 5½s, '55..	26,500,000
		Belgium 8s, '41....	30,000,000	Denmark 6s, '42...	30,000,000
		Solvay & Co. 6s, '34	10,000,000		

EUROPE'S MORAL AND MATERIAL OBLIGATIONS TO U. S. 321

Name and Year of Maturity	Amt. Issued	Name and Year of Maturity	Amt. Issued	Name and Year of Maturity	Amt. Issued
Dan Consol Munic Loan 5½s, '55.....	\$7,000,000	City of Dresden 7s, '45	\$3,750,000	Hamburg-American Line 6½s	\$6,500,000
Dan Consol Munic Ser A 8s, '46.....	7,000,000	City of Dusseldorf 7s, '45	1,750,000	Miag Mill Machinery 1st 7s, '56....	3,000,000
Dan Consol Munic Ser B 8s, '46.....	8,000,000	City of Duisburg 7s, '45	3,000,000	United Steel Works Corp 6½s, '51	30,000,000
City of Copenhagen 5½s, '44	15,000,000	City of Frankfort-on-Main 7s, '45....	4,000,000	Ilseider Steel Corp 7s, '46	7,500,000
Burmeister & Wain (Copenhagen) 6s, '40	2,000,000	City of Heidelberg 7½s, '50	1,500,000	Leonard Tietz A G 7½s, '46	3,000,000
Mortgage Bank of Denmark 6s, '70...	5,000,000	City of Leipzig 7s, '47	5,000,000	Berlin City Elect Co 6½s, '28	1,000,000
Copenhagen Tel Co. 6s, '37	2,000,000	City of Munich 7s, '45	8,700,000	Berlin City Elect Co 6½s, '29	2,000,000
United Steamship Co. 6s, '37.....	5,000,000	Central Bank Agriculture 7s, '50....	25,000,000	Bavarian Catholic Church 6½s, '46...	5,000,000
Finland 6s, '45.....	10,000,000	Munic Bank of Hessen 7s, '45	3,600,000	Ger Catholic Welfare Institution 7s, '46	3,000,000
Finland 7s, '50.....	10,000,000	Saxon Mortgage Inst. 7s, '45	5,000,000	Grt Britain & Ire- land 5½s, '29	148,379,100
Finn Gntd Munic Ser A 6½s, '54.....	3,900,000	Saxon Public Works 7s, '45	15,000,000	Grt Britain & Ire- land 5½s, '37	143,587,000
Finn Gntd Munic Ser B 6½s, '54....	3,100,000	Saxon Public Works 6½s, '51	15,000,000	Greek Gov 7s, '64...	11,000,000
Indust Mortgage Bk 7s, '44	12,000,000	Saar Basin Consol Counties 7s, '45...	4,000,000	Hungarian Land Mortg 7½s, '61....	3,000,000
French Gov 7s, '49..100,000,000		City of Saarbruecken 7s, '35	3,000,000	Hungary 7½s, '44...	9,000,000
French Gov 7½s, '41..100,000,000		Hamburg Elect Co 7s, '35	4,000,000	Hung Consol Munic L'n 7½s, '52.....	10,000,000
French Gov 8s, '45..100,000,000		Mannheim & Palat Elect 7s, '41.....	3,000,000	Rima Steel Corp 7s, '55	3,000,000
Dept of the Seine 7s, '42	25,000,000	Silesia Elect Corp 6½s, '46	4,000,000	Italy 7s, '51	100,000,000
City of Bordeaux 6s, '34	15,000,000	Wuerttemberg Hydro-Elec Wks 7s, '56	4,000,000	Italian Pub Util Cred Inst 7s, '52..	20,000,000
City of Lyons 6s, '34	15,000,000	Saxony-Anhalt Elect Ser 6½s	1,000,000	Lloyd Sabaudo S S 1st 7s, '41	2,400,000
City of Marseilles 6s, '34	15,000,000	Stettin Pub Utilities 1st 7s, '46....	3,000,000	Luxemb Utd Steel Wks Arbed 7s, '51.	10,000,000
City of Soissons 6s, '36	6,000,000	Elect Power Corp 6½s, '50	7,500,000	Int Power Securities Corp 7s, '36.....	5,000,000
Est Railroad Co 7s, '54	20,000,000	Ger Gen'l Elect Corp 6½s, '40	10,000,000	Int Power Securities Corp 6½s, '54.....	4,000,000
Nord Railway Co. 6½s, '50	15,000,000	Ger Gen'l Elect Corp 7s, '45	10,000,000	Netherlands 6s, '54..	40,000,000
Paris-Lyons-Medit Rd Co. 6s, '58.....	30,000,000	Rhine - Westphalia Elec Power 7s, '50.	10,000,000	City of Rotterdam 6s, '64	6,000,000
Paris-Lyons-Medit Rd Co. 7s, '58.....	20,000,000	Westphalia United Elec Pow 6½s, '50.	7,500,000	Netherlands 6s, '72..	18,000,000
Paris-Orleans Rd Co. 7s, '54.....	10,000,000	Rhine-Main-Danube Corp 7s, '50	6,000,000	Norway 5½s, '65....	30,000,000
French Nat'l Mail Steamship 7s, '49..10,000,000		Fried Krupp, Ltd. 7s, '29	10,000,000	Norway 6s, '43....	20,000,000
German Ext of 1924 7s, '49	110,000,000	Ger Atlantic Cable Co 7s, '45	4,000,000	Norway 6s, '44....	25,000,000
Bavaria 6½s, '45....	15,000,000	Rudolph Karstadt, Inc, 7s, '30	3,000,000	Norway 6s, '52....	18,000,000
Bavarian Palatinate Consol Cities 7s, '45	3,800,000	Siemens Halske Schuck 7s, '28....	5,000,000	City of Bergen 6s, '49	2,000,000
State of Bremen 7s, '35	7,500,000	Siemens Halske Schuck 7s, '45....	5,000,000	City of Bergen 8s, '45	4,000,000
State of Anhalt 7s, '46	2,000,000	Thyssen Iron & Steel 7s, '30	12,000,000	City of (Chris.) Oslo 6s, '54	2,000,000
State of Hamburg 5½s, '27	5,000,000	United Ind Corp 6s, '45	6,000,000	City of Oslo 6s, '55..	8,000,000
State of Oldenburg 7s, '45	3,000,000	Good Hope Steel & Iron 7s, '45	2,500,000	City of Oslo 5½s, '46	4,000,000
Consol Munic of Baden 7s, '51.....	4,500,000	Rheinelbe Union 7s, '46	25,000,000	City of Oslo 5½s, '45	10,000,000
Ger Consol Munic Loan 7s, '47.....	15,000,000	Mansfeld Mining & Smelting 7s, '41...	3,000,000	City of Trondhjem 6½s, '44	2,500,000
Wuerttemberg Consol Munic 7s, '45.....	8,400,000			Sauda Falls Co. 5s, '55	4,000,000
City of Berlin 6½s, '50	15,000,000			Poland 6s, '40	23,075,750
City of Cologne 6½s, '50	8,000,000			Poland 8s, '50	35,000,000

Canada's Control of the Liquor Traffic

Two Points of View

I. The Canadian System a Failure

By DEETS PICKETT

Research Secretary, Board of Temperance, Prohibition and Public Morals of the Methodist Episcopal Church

THE opponents of the United States prohibition law point to the system of Government control now being tested by five of the nine Canadian Provinces as the possible alternative to prohibition in the United States. Government control obtains in British Columbia, Alberta, Saskatchewan, Manitoba and Quebec. The systems of the various Provinces differ greatly, but, broadly, they provide for distribution of spirituous liquors by the Government and of beer and wine by private industry. The Quebec system is the one most frequently discussed in the United States.

In order to learn the facts, the Board of Temperance, Prohibition and Public Morals of the Methodist Episcopal Church sent a man to Canada to make a personal investigation in Quebec and Ontario. He also collected authentic information in regard to the other Provinces having Government control.

Quebec has approximately 2,400,000 people. It is an exception to the general rule of similarity between the Canadian population and that of the United States for most of the people are of French blood and language, and the society is continental in its characteristics. The sale of spirits is conducted in ninety Government stores in Quebec under the cash-and-carry plan, "a bottle at a time." The latter provision means nothing. A person can buy "one bottle," containing a quart, at each of the Government stores, and if he does not want to make the rounds he can go in and out of the same store, purchasing a quart each time. Four people in an automobile can stop in front of a store and each buy a quart, go on to another store and get four quarts more, and in a

short time accumulate enough whisky to run a first-class bootleg establishment.

Beer is sold by the glass and is supplied direct from the breweries. There is no limit on quantity. Most of the wine is sold through hotels and restaurants and is also unlimited. The people secure liquors of some kind in hotels, taverns, restaurants, beer stores, breweries, steamboats, dining cars and trading posts. This system of "control" has obtained in Quebec since May 1, 1921. Under it the liquor bill has mounted to forty-odd million dollars, of which amount \$19,912,781 was spent for hard liquors in the year 1923-24. The sale of spirituous liquors decreased somewhat in the last recorded year, evidently not because of a lessened consumption by Canadians, but because of greater activity by the United States border patrol, for more than half of all the decline was registered in the three border stores located at Valley Field and Sherbrooke. Meanwhile, the sales of wine have increased by 72.5 per cent. and the sale of beer by 15 per cent.

Three promises made in behalf of this system before its adoption were: First, that the consumption of liquors, especially of spirituous liquors, would decline, because there would be less promotion of the trade; second, that the illicit trade in liquors would be reduced to a minimum; and, third, that the finances of the Province would be benefited by the system. But one of the great evils in Quebec today is the active and vigorous promotion by the breweries of liquor consumption. The brewers urge the consumption of beer by every trade promotion device, carrying on a constant advertising campaign, most effective in its scope and force. The Gov-

ernment itself, while deprecating through its Health Department the drinking of alcoholic liquors, encourages their consumption by providing extensive facilities and appealing to every shade of taste.

Bootlegging and blindpigging are not only common but appear to be increasing and are closely associated with prostitution. Violations of the liquor law numbered 3,823 in the Montreal district in 1924 and 4,806 in 1925. The Quebec Liquor Commission in its 1924 report says: "We are well aware that these illicit resorts still exist and that we shall never succeed in permanently closing up such places. Our experience clearly demonstrates that as soon as investigations and arrests are made in one of these resorts, business starts up again almost immediately afterward * * *. Many clubs are nothing else but illicit resorts on a big scale."

VICE RAMPANT

Because of the vice conditions in Montreal, Judge Coderre in 1925 conducted an inquiry costing \$75,000. His report pictures scenes of the greatest disorder in cabarets, with liquor flowing freely at exorbitant prices. Various restaurants he calls "veritable dens," and it is alleged that dance halls, billiard and pool rooms are frequented by white slavers and traffickers in drugs. Disreputable massage parlors, houses of prostitution and illegal traffic in narcotics exist on every hand. Judge Coderre says: "Vice shows itself in our city with a hideousness and insolence born of the certitude that it will go unpunished * * * and threatens to strangle the population, which is three-quarters healthy and moral." He alleges that many of the all-night cafés and billiard rooms are simply vestibules for disorderly houses and states that agents and solicitors "are legion"; that they frequent hotel rotundas, railway stations, amusement places and even hang around church doors. It is safe to say nearly every house of prostitution and "vestibule" in Montreal sells liquors.

Some will wonder why, when there are legal places of sale, such conditions as to bootlegging should exist. Some persons purchase from bootleggers as a mere matter of convenience; others because they

wish to drink in company with prostitutes; still others because the stores are not open at all hours.

The effect of the system upon the finances of the Province is described in the *Montreal Daily Star* of Jan. 26, 1926, which states editorially: "The debt of the Province has increased half as much again since the system went into force."

Prohibitionists contend that money spent for drink is an economic loss, and conditions in Quebec seem to support this contention. In 1923, according to the report of R. G. Dun & Co., there were 3,247 business failures in Canada. Of that number, 1,131, or 35 per cent., were in Quebec. The Province of Ontario, which is Quebec's next-door neighbor, still clings to Prohibition of a sort, although in violation of the verdict of the people at the polls the Provincial Government has established the sale of 4.4 beer.

Compare the provincial expenditures in wet Quebec with those in semi-dry Ontario. We find that Ontario, with one-quarter more population than Quebec, in 1924 spent, on legislation, \$314,867; Quebec, \$572,952; on justice, Ontario, \$1,649,219; Quebec, \$1,843,868; on education, Ontario, \$9,283,488; Quebec, \$2,669,965; on charities and health (that is, for general hospitals and for the protection of health), Ontario, \$7,490,526; Quebec, \$1,836,569; railways and industries, Ontario, \$3,427,422; Quebec, \$1,648,701; on debt charges, Ontario, \$16,173,592; Quebec, \$3,830,373; on liquor, Ontario, \$5,014,000; Quebec, \$47,620,507 (all liquors).

The contrast between Quebec and Ontario was more striking before modification of Ontario Prohibition on May 21, 1925, at which time the sale of 4.4 beer began. The Ontario law has also been modified by an Order in Council withdrawing from control of the Province the manufacture, transportation and exportation of intoxicating liquors. Under the law native wines are permitted and any citizen may manufacture home brew if he serve notice upon the Customs authorities of his intention. Over 5,000 such notifications are on file at the present time. While Ontario Prohibition was never bone-dry, its system seems to get much better results

than the Government control system in Quebec.

BUSINESS MEN'S VERDICT

During the period from May 1, 1921, to May 21, 1925, when both systems were in operation, a questionnaire sent by the Toronto Board of Trade to the members of that organization, bringing replies from 397 men, showed 341 strongly favorable to prohibition. The Ontario Board of License Commissioners queried the manufacturers of Ontario as to the success of the law and found that 70 per cent. of them believed prohibition responsible for increased production, 76 per cent. attributed to it greater regularity of labor, 74 per cent. reported increased capacity of workmen, 82 per cent. credited it with giving the people more comfortable homes and better food and clothing, while 85 per cent. testified that drunkenness and poverty had been decreased by the law. Whereas the bank clearings of Montreal and Quebec decreased by \$1,616,083,263 between 1920 and 1923, the increase in Toronto was \$181,363,403. Nor did prohibition make Ontario unpopular with visitors, for while Quebec, with its Government control system, was being visited in 1922 by 62,951 automobiles admitted for touring purposes, Ontario admitted 882,926. The number of cases of drunkenness declined from 17,703 in 1914 to 10,063 in 1922, despite the increase in population, and there was also an actual decline in indictable offenses. From 1914 to 1923 there was in Toronto an increase in the registration in the primary schools per 1,000 of population from 168 to 193, and the attendance of high schools almost tripled.

Meanwhile, Quebec, under its Government control system, was having a hard time. The following table comparing arrests in 1922 for certain important offenses in Montreal and Toronto is illuminating:

Offenses reported:	MONTREAL.	TORONTO.
	No. of Cases.	No. of Cases.
Thefts	5,711	3,847
Burglaries	1,818	596
Highway robberies....	269	44
Totals	7,798	4,487

One of the best-informed men in Canada says that the effect of Government sale of liquor in Quebec, as in other Provinces, has been, first, to give to the trade a respectability which it never before possessed, since Government liquor vendors and their assistants became semi-civil servants, working for and paid by the Government; second, it has resulted in a very large increase in the amount of liquor sold and consumed and in the inevitable consequences that follow the increased consumption of alcohol.

A group of Roman Catholic business men in Quebec, appalled by Government control of the liquor traffic, recently issued a booklet in French, entitled *The Gulf*, intended to arouse the people to the danger. In part the booklet says:

Where are we? The sober and serious, the financiers, the economists, can they be satisfied with the actual state of things in the Province of Quebec?

To this we respond, NO!

Our mentality has changed. Sobriety departs. It is no longer appreciated; it is even mocked. The wholesome ideas planted in our spirits by the great temperance campaign before the war, our youth, who grew up immunized to the crimes of alcohol, all this no longer counts. The dangerous liquor no longer arouses contempt and horror. It is hailed even with happiness. Fearlessly we manipulate a substance more dangerous than poison, than explosives, or than firearms.

The woman who, a few years ago, considered drink as her irreconcilable enemy, reserves for it today her most gracious smiles. She no longer refuses the *apéritif*, and pours out beer and wine for her children, under the pretext that they are only light drinks.

NEW ENEMIES. Formerly we had a single enemy; today we have three:

As much as ever, whisky is being drunk.

More than ever, beer is being drunk.

Enormously more than ever, wine is being drunk.

* * * * *

Women and young girls drink today without shame. Formerly, in a salon when strong liquors were passed around, ladies and young women refused. In our day everybody takes his little glass. Liquor, thanks to skillful propaganda, has lost its odious stigma.

This booklet concludes by saying that its authors are not prohibitionists, but the indictment of the Government control system they have framed is unanswerable.

Documentary evidence, the testimony of individuals and serious articles in the Canadian press indicate that the Government "control" system has been no more effective in other Provinces than it has been in Quebec. One prominent Canadian citizen says: "We no longer call it Government control. We call it Government sale; there is no control."

Everywhere we find that the brewers, who are asking a monopoly of the intoxicating liquor trade of the United States, are as troublesome in Canada as they have always been south of the line. A. M. Manson, Attorney General for British Columbia, stated in the House: "I have no sympathy for the brewers. As I know after my three years' experience, there has never been a day when the brewers have not spent every minute doing their utmost to counteract the will of the people, defy the Government and tear down the law of the land. To most of the brewers the meaning of the word 'honor' is unknown."

The *Vancouver Sun* of May 15, 1925, states: "By far the largest number of women that use the beer parlors are street-walkers, who are simply turning these premises into places of assignation." On Aug. 10 another Vancouver paper, *The Star*, published an article with the heading: "Commercialized Vice Floods City." On Jan. 12, 1926, the same journal quoted Mrs. Harris, Vancouver police matron, as saying: "There is more drinking and the use of narcotic drugs among young boys and girls in Vancouver than there has ever been before during my fourteen years' experience here." In British Columbia, as in Quebec, one of the greatest evils is the increased use of liquor by minors and women, an increase seemingly inevitable under the system obtaining. "Never before this thing came into operation," says one experienced observer, "did I ever see a woman go in and sit down and drink in a public bar, and I lived in British Columbia twelve years."

There are 350 retail beer places in the Province of Alberta, but nevertheless the moonshine problem is as lively there as in the United States. The jail population has increased. In Calgary there has been

a large increase in the number of cases of disorderly conduct, and a brief tour of beer parlors in Edmonton revealed twenty-six women. One of these Government control beer parlors in Edmonton is pictured by a reporter for *The Toronto Daily Star* as follows: "About 160 men and boys were seated, mostly smoking and drinking beer, shouting profanity and telling stories. The air reeked with smoke and the smell of beer. Four women and girls lent variety to the scene. I did my best to get an account of the drunken men who left this hotel, but there were too many persons moving about at the time to get the number exactly. I would be safe in saying that at least twelve men were staggering drunk and four or five rolling drunk." This reporter declares that he saw at least twenty-five drunken men in one hour in Edmonton and that not one was arrested. The beer sold in Alberta is almost 9 per cent., and one man from the rural districts said to the reporter quoted that "all kinds of people are learning to drink 9 per cent. beer sold under Government auspices." There have been increases of 127 per cent. and 133 per cent. in Regina and Saskatoon, Saskatchewan, in arrests for drunkenness since Government control replaced prohibition. The number of violations of the prohibition law in 1924 was 863, and in 1925, under Government control, the number of violations was 1,355 for only eight and a half months.

CONDITIONS IN MANITOBA

In Manitoba, under Provincial prohibition, there was a good deal of bootlegging, but it has undoubtedly increased under the system of Government control, which went into effect on Sept. 23, 1923. Judge J. St. George Stubbs of Winnipeg, on Dec. 22, 1925, was quoted as saying: "The enforcement of liquor laws in the Province of Manitoba is a colossal farce." Attorney General R. W. Craig, according to the *Free Press*, agrees that the present conditions are worse than under prohibition and says the reason is that under prohibition the illicit vendor had two things to overcome—he had to secure his supply and he had to sell it. Now he has only to sell, and half

of his handicap is removed, for the Government liquor store is a source of supply for the bootlegger. *The Winnipeg Tribune* of March 5, 1926, stated: "Crime records in the Province of Manitoba show that 1925 exceeded the record of the past twenty years for the number of persons in the jails of the Province, the total having been 1,650."

The Toronto Star of March 9, 1926, gives a long list of brewers convicted of violation of the law in Winnipeg, Manitoba, and quotes charges that "every brewer, now, as always, is a violator of the law." In 1925 twenty-three convictions were registered against the seven breweries or their employees. In January, 1926, six of the seven breweries were again convicted, paying fines aggregating \$6,000.

We cannot find that these systems have been financially profitable to the Government. According to "Finances of the Canadian Provinces," issued by the editor of *The Monetary Times of Canada*, the funded debt of British Columbia in 1920, the year before Government sale came into operation, was \$34,071,936. At the end of 1924 it was \$68,851,436. The funded debt of Manitoba in 1923 was \$67,914,095; at the end of 1924 it was

\$69,637,095. The funded debt of Quebec in 1920, the year before Government sale, was \$40,708,113. In 1924 it was \$75,605,226.

The Canadian people are naturally law abiding and the courts are administered in a way which should serve as an example and reproach to the United States. Nevertheless, since Government control of the liquor traffic has been in operation, official corruption in Canada has become "a hideous pollution." The whole Dominion has just been shaken by the customs scandal, and *Maclean's Magazine* says: "Behind the customs scandal * * * lurks the shadow of the liquor ring," and charges that with its millions the liquor oligarchy of bootleggers has summoned to its aid members of Parliament and "has even been able to 'wangle' defense from Cabinet members."

Government control in Canada has meant: Increased consumption of liquors; greatly increased use of alcoholic liquors by young people and women; a swollen liquor bill and social and economic losses which have halted prosperity; increased vice and crime; an illicit trade as great as that under any Prohibition law, and a corruption hitherto unknown in Canada.

II. Commendable Features of the Quebec Plan

By PIERRE S. DU PONT

Chairman, Board E. I. du Pont de Nemours and Co.

If not as old as the hills, the liquor problem probably antedates recorded history, but its solution is not to be found easily, nor can the remedy of its evils be applied with complete success without devoting much more time to the work. After ten years of wartime restrictions and prohibition in this country the question still presents two sides, each supported by numbers sufficiently large to warrant the assumption that opinion is fairly evenly divided. If there is unanimity to be found anywhere, it is in a general dissatisfaction with respect to existing conditions, for not only do prohibitionist, modificationist, nullificationist, law en-

forcer, law breaker, total abstainer, moderate drinker and drunkard agree in their dissatisfaction, but each goes a step further and proclaims that a change must be forthcoming. What shall the change be? What possibilities are open to us and by what means may the distribution of intoxicating beverages be better handled and reasonably controlled?

Only a few alternative courses can be named, viz.:

1. *License of selling and manufacturing privileges.* (The method prevailing in the United States and Great Britain before 1914.)

2. *License of selling privileges, with re-*

stricted manufacture. (The method adopted in both the United States and Great Britain during the war.)

3. *Privately controlled monopoly of selling with licensed manufacture.* (Used in Sweden since 1914.)

4. *Government monopoly of selling, with or without Government control of manufacture.* (Practiced in five of the Provinces of Canada—also in some large areas of Great Britain during the war.)

5. *Prohibition of sale and incidentally of the manufacture and transportation of intoxicating beverages.* (Tried in the above Provinces of Canada, in Russia and Norway, but abandoned by all. Now being tried in the United States and in three Canadian Provinces.)

Though these are distinct methods of control, each is subject to variations of many kinds. Prohibition, for instance, seems a definite and positive term, but it is applied, even by prohibitionists, to the condition existing in sixteen States of the United States that "voted dry" before 1919, but though "dry," permitted the importation of distilled liquor as well as wine and beer. Even the Province of Ontario, with its 17,000 registered home brewers and 700,000 physicians' "prescriptions" for intoxicating drink (about one to every three of its adult population), is referred to as prohibition territory. One cannot subscribe to the merits of any system without being somewhat general in the endorsement, and without some reserve with respect to details that are arranged to suit the control desired in each case under consideration.

What, then, are the existing conditions in this country? Prohibitionists claim that a majority, perhaps a great majority of our people, are either total abstainers or are convinced that they should be, hence the addition of the Eighteenth Amendment to the Constitution and the Volstead act. It is claimed that through prohibition consumption of alcohol has been reduced to 10 per cent. or less of what it used to be. If this is true, drunkenness and overindulgence in drink should be a small factor in the affairs of our country. Those of us who are not so well satisfied with the progress of prohibition prefer to continue support of

the estimate made by a competent committee of fifty investigators some twenty or more years ago, when the total abstainers were set down at 20 per cent. of our adult males and those who drink to their own undoubted injury at 5 per cent., with the remaining 75 per cent. representing all variations between the two extremes, probably 50 per cent. of the total in the class of "occasional drinkers." Other estimates have been made, but there is no reliable information on this important subject. The real problem is to reform from excessive drinking a small percentage of our population, to see to it that no more recruits are added to the class of heavy drinkers and to dissociate drinking from the underworld and sordid associations. In doing this we must play fair with those who have a right to decide for themselves the meaning of the word moderation.

Whatever the task, control of supply gives control of consumption, therefore let us examine the method of dispensing liquor under the control plans already mentioned.

CONTROL PLANS COMPARED

Under the individual license system of pre-war days dispensing of drink was in the hands of licensed saloonkeepers and dealers (all or nearly all of a very undesirable class for such an important mission).

Under prohibition laws as they are now all distribution is through bootleggers, moonshiners and other outlaws (a still more undesirable class).

Under private monopoly, as found in Sweden, the Government places the sale of liquor in the hands of those best fitted for the execution of so important a trust, with a limit on the profits to be made by them. This plan, though it has much to commend it, is open to the objections surrounding unavoidable change of personnel and possible neglect of duty; it is not a plan that would appeal to the people of the United States.

Under the Government dispensary system, the State itself undertakes to regulate the amount and direction of the flow of liquor. Fear of political control is the greatest objection to this plan. If politics

are clean, the regulation of quality and strength of liquors, of the hours of selling, of the amount to be sold and its price and of the choice of customer, all in the hands of the Government, will produce satisfactory results. Even if the political control is unclean, objection to the State dispensary is less than to prohibition. Under the former, the administration must be fairly open, while under the latter, an alliance of corrupt politics with the underworld dispensary is the worst possible combination, uncontrolled as it is and free to act without reports, accounting or statistics. If Government is too weak or too corrupt to conduct a State dispensary system where good liquor can be had at reasonable times, in reasonable quantities and at fair prices, how is it possible for such a Government to enforce prohibition?

In reality there are but three alternatives before us in the United States. One is, to return to the licensing of saloons or other privately owned sales stations. A second is to accept the existing outlaw control. A third is the Government dispensary system.

Whatever is done we must rid ourselves of the idea that wartime regulation of personal action and efficiency continues to be desirable or proper. The foundation of American Government is freedom of choice on the part of the individual as to his own conduct, provided that he does not interfere with the rights of others. The exploiting of the masses by means of laws and on plea of added efficiency, better moral conduct or sounder religious belief has no place in the affairs of a republic.

BENEFITS OF QUEBEC SYSTEM

It is because of its distinguishing feature of Government control that many have turned for relief to the so-called Quebec plan. The latter might as well be called the British Columbian, the Albertan, the Saskatchewan, the Manitoban or the British wartime plan, for all the political divisions named have used and are using this fundamental feature in a system of liquor control and distribution. The name Quebec is associated with the plan because that Province of Canada has used it for five full years and because the conduct of State dis-

pensaries by the Quebec authorities has made a most favorable impression on the investigator.

Consider some of the advantages of this form of control. The people of Quebec admit the fact that intoxicating beverages are demanded by many and will continue to be consumed. Therefore, they provide through Government dispensaries a supply of liquor of all kinds, purchased direct from the best sources. It is analyzed, tested, tasted and correctly labeled for sale under the seal of the Liquor Commission. The liquors are received, handled and distributed under sanitary conditions absolutely free from the sordid associations of the saloon. In Quebec a non-injurious quantity of alcohol may be purchased and drunk freely and openly with State guarantee of freedom from harmful adulterant. But in the United States the legal penalty for this harmless act is death. That death does not result from the many drinks taken is because our law is not enforced; legally, all alcohol sold should contain the lethal dose of so-called denaturant. How many juries could be found to send a man to the gallows for taking one drink of whisky?

The Quebec Liquor Commission publishes a price list of liquors—a document objectionable and subject to confiscation in our country. This list names reasonable prices, with a return to the Government of all profit above the cost of the liquor and its distribution—no large commission to the saloonkeeper or the bootlegger. Had the United States adopted Quebec's plan and price list on Jan. 1, 1920, we might have continued to drink alcohol as of yore, but in that event Uncle Sam would have accumulated the tidy profit of \$7,108,000,000 in the seven years 1920-1926 (sufficient to retire our entire war debt of \$25,000,000,000 in twenty-five years). However, had we contented ourselves with the present per capita consumption of the people of Quebec, our allowance of alcohol would have been reduced about 50 per cent. and Uncle Sam would have been obliged to accept a lessened profit of \$3,622,000,000 from his more temperate children.

But how about the consumption of alco-

hol in Quebec? If we reduce the distilled liquors, the wine and the beer to their alcohol content, we find a consumption of 0.95 United States gallons per capita in the year 1924-1925. Of this 21 per cent. was in spirits, 5 per cent. in wine, 74 per cent. in beer. By contrast, in 1916 we of the United States drank 1.86 gallons alcohol per capita, 43 per cent. in spirits, 3.5 per cent. in wine and 53.5 per cent. in beer. Since 1916 we continue to consume much alcoholic drink, mostly bad spirits, though we have destroyed all record of it. However, there remains some telltale evidence of what we are doing. Arrests for drunkenness, as shown by police records, have regained the number that prevailed under old saloon days. Prohibitionists reply: "Even though this is true, the number of arrests per 100,000 of population has decreased to 74 per cent. of what it formerly was, and further, if we introduce the one little assumption that the police are now two and a quarter times as active in making arrests as they used to be, the spectre of drunkenness may be reduced to about one-third of its former self." Had we assumed a little more we might reduce this spectre to a real shadow, but unless the laws of arithmetic are amended, we cannot get rid of our overindulgences altogether by this simple process. While on the subject of assumptions, let us accept for the moment the prohibitionists' estimate of a present reduction to 10 per cent. of the alcohol consumed prior to 1917. Taking 1916 figures as a basis, we would now be consuming 0.186 gallons per capita, practically all spirits. The people of Quebec are now consuming 0.200 gallons of spirits per capita, or only 7 per cent. more than this very low estimate made by prohibitionists for the United States.

Whatever may be the record of drunkenness, deaths from alcoholism have recovered from the drop occurring in 1920 and are now also equal to those of pre-war days. Perhaps this change is due to the increased cunning of doctors in diagnosis, but prohibitionists are inclined to claim the honors for the Volstead act and the poisoning of all alcohol now dispensed thereunder.

We now come to some happenings in our Mother Country that shed further light on this subject. England, too, has had a liquor problem, and has considered and rejected prohibition as a cure. By other means the consumption of alcohol in 1918 was reduced to about 40 per cent. of pre-war volume, but under reduced legal obstacles has now again increased to a nearly constant 55 per cent. Arrests for drunkenness and deaths from alcoholism followed a downward and then upward course consonant with the consumption of alcohol.

In Quebec, where prohibition of sale of spirits was abandoned in April, 1921, a decrease in convictions for drunkenness per 100,000 has occurred, amounting to 80 per cent. of the 1920 figures in 1921, to 60 per cent. in 1922 and to about 50 per cent. in the years 1923, 1924 and 1925.

Prohibitionists can find nothing in these figures to support the claim that drinking has materially decreased in the United States. The assumption that we can measure police vigilance at two and a quarter times that of 1910 and thereby mask the record of drunkenness is counteracted by the prevalence of home brew and home drinking which shelters the drunkard from the police. All in all it would be astonishing to find that total per capita consumption of alcohol in the United States had fallen below 50 per cent. of its 1916 level, which is about Quebec's present per capita consumption.

As stated above, in the year 1916 the people of the United States consumed an average of 1.86 gallons of alcohol per capita. If prohibitionists are right in their estimate of a 90 per cent. reduction, we are now consuming 0.186 gallons per capita, or a total of 21,000,000 gallons. Now the current price of Scotch whisky is about \$7 per quart, probably not more than 40 per cent. alcohol by volume, or at least \$17.50 per quart for the alcohol content. If our bootleggers obtain their goods as cheaply as do our Quebec neighbors from their Government (\$8.30 per quart of alcohol content), they are making a profit of \$9.20 per quart or \$36.80 per gallon of alcohol. This represents a total of \$773,000,000 annual profit on the above 21,000,000 gal-

lons of alcohol that prohibitionists concede to the bootlegging business. If consumption is in accord with the indications of per capita arrests for drunkenness and deaths from alcoholism (at least 60 per cent. of the 1916 level), this bootlegger profit may reach \$4,000,000,000 annually.

Judged by those in authority to speak, the Province of Quebec is in satisfactory condition with respect to the liquor question. Prices of liquor are reasonable, all profit goes to the Government and per capita consumption is small. Naturally some troubles exist; they are openly admitted by those in charge and are dealt with as occasion demands.

BOOTLEGGING IN CANADA

Bootleggers are found in Quebec, but in competition with a Government guaranteed supply of good liquor at prices not more than 50 per cent. of those current in the United States, it is difficult to see how they can operate very profitably or to any great extent. It is stated by the Quebec authorities, however, that the gentle southward current of Canadian liquor to the "States" is accompanied by a larger return undercurrent of alcohol from the underworld of this "dry" country to our northern neighbor. Here is the real bootlegger trouble of Canada, as shown by the following quotations from the reports of the Quebec Liquor Commission for year 1923-1924, page 61:

Complaints received against "bootleggers" are particularly directed against the sale of alcohol and whisky in bulk. Most of this alcohol comes to us from the United States. During the course of the year we have made several large seizures of American alcohol.

And for the year 1924-1925, page 52:

In order to speed up the pursuit of bootleggers who transport liquor between the United States and the Province of Quebec, a patrol was formed during the course of the Summer of 1925. The inspectors forming this patrol, who are in uniform, were and still are commissioned to superintend the routes leading from the American frontier into our Province. * * * The results obtained in connection with seizures of alcohol and automobiles fully justify this experiment.

Quebec is not altogether without illicit

stills, nor was the number greatly reduced by the distribution of a vast fund of still lore by our Congressional investigation with its advertisement of the many and varied methods of distilling available to the public. In one year Quebec confiscated 75 stills per million of population, the United States 158 per million.

The advocates of the Quebec plan, though it is in successful use, do not claim perfection for it. Betterments can be added and several have been tried in other places and are worthy of consideration. British Columbia, Alberta and Manitoba have added, from Swedish experience, licensing of the individual purchaser. Those desiring the privilege of buying intoxicating liquor must take out an annual license and present it for the entry of every purchase made. Unfit persons are not licensed, and without a license, sale is refused. If the license is abused, it may be suspended or revoked, and such licenses are published in dispensaries or other places of sale and further delivery of liquor to the holders is stopped. This individual license system serves not only to prevent unwise sales, but it furnishes valuable information concerning the extent and probable distribution of the liquor traffic. Our problem would be much simplified if we knew the amount of alcohol consumed by different classes of people during a year. Today we know nothing of the details of liquor selling and consumption. The Eighteenth Amendment and Volstead act have served only to add to our ignorance.

In Quebec, licenses are issued for hotels to sell wine to be drunk on the premises and for taverns to sell beer by the glass, but the former kind of license is not permitted in other Provinces of Canada, nor is the latter in Saskatchewan or Manitoba. Such licenses form no necessary part of the State control plan.

THE ENGLISH SOLUTION

Referring now to England, it was found in the early days of the war that excessive drinking on the part of a comparatively few persons interfered seriously with the efficient service of very many others. It was necessary as a war measure to use

every device possible to reduce this trouble, to abolish it if possible. Remembering, perhaps, the experience of their former King Canute with respect to prohibitory methods applied to the sea, Britannia did not extend her hand and command the tide of alcohol to stop, but she applied herself to methods available for damming and controlling it. Among other methods, the hours in which sale of liquor was permitted were shortened so as to encourage men to drink at meal time and after work hours only. The long honored custom of "treating" was stopped by insisting that every drinker in a public place should pay for his own drink. Likewise a ban was placed on the "long pull," an advertising scheme by which the purveyor of liquor added to the quantity usually sold in order to encourage a return of the customer. Another device was to increase the price of liquor, making the consumer assist in paying for war material even though he might continue to lower his own efficiency of production. In communities where great increase of population had occurred through war activities, England purchased the tavern licenses and property and adopted the Quebec plan of Government dispensary. The report of the result of these steps impresses one with the merit of the system; England reduced her alcohol consumption 49 per cent., her convictions for drunkenness 84 per cent. and her deaths from alcoholism 84 per cent.

England has shown us, as clearly as it can be shown, that the variations in quantity of alcohol consumed are accompanied by like variations in the number of convictions for drunkenness and in number of deaths from alcoholism. Apart from this experience common intelligence tells us that this relation must exist in large degree.

In the United States we know that the

number of arrests for drunkenness in representative cities has not decreased and the reported deaths from alcoholism have not lessened since prohibition was introduced. It is true that these indicators of alcohol consumption may show a reduction per capita, but the fact remains that they do not show any decrease in the total liquor consumed. The United States has had Federal prohibition for seven years preceded by three years of wartime restriction. We may not know exactly how far consumption of alcohol has been reduced, but we do know that intoxicating drinks are obtainable throughout the Union and are partaken of very generally. Unless an unexpected and unpredicted change comes about we shall have the liquor problem with us for many years, perhaps forever. Therefore, the only question before us is: What means of distribution of alcohol that must be consumed will cause the least harm?

There can be but one answer—State control of sale and distribution of all intoxicating drinks. This answer means the adoption of the Quebec plan with modifications needed to meet our conditions, or recommended by the experience of five years in Quebec and elsewhere.

With us Federal control seems out of the question. The burden of organizing the sale of liquor throughout the United States at one time is too great. Moreover, it seems far better to leave the details of the problems to the States, as is done in Canada, so that we may have the combined experience of forty-eight more communities from which to determine the best permanent course. With the conflict of opinion now prevailing it would be impossible for all to agree on modifications to be chosen to suit the needs of the several States, needs that will differ as long as our variations in race, climate and habits exist.



The British Empire Facing a Crisis

By CARLETON KENDALL

Author and student of Contemporary Politics

THE British Empire has reached a point which, as in the case of past empires, marks a crisis in its civilization, and is today confronted with an amazing problem involving the life or death of its organism. That America's destiny is involved in the solution of this problem, those who have studied the question deeply unhesitatingly agree. Despite the jealousy and petty bitterness between the two nations, they are biologically and culturally one, and their fortunes are undeniably linked together in the destiny of the Anglo-Saxon race. Many Americans who have realized this situation and this bond have been charged, as were Admiral Sims and Woodrow Wilson, with sacrificing the righteous interests of their country to "pro-British" sentiments; just as H. G. Wells and his colleagues on the other side of the water have been charged with "pro-Americanism" and undue national pessimism.

The complications leading up to the present situation began in 1583, when England, then a rich, prosperous and compact nation, embarked upon probably the most stupendous and daring scheme ever attempted by any sovereign power—the establishment of a vast empire extending around the earth and including the peoples of every race and stratum of human civilization. But it was not alone this dream of world domain that made statesmen refer to the scheme as "a perilous undertaking of audacious genius," nor did it result in the grave consequences now confronting the British people; the important feature was rather the method selected for putting the idea into operation.

To understand this method let us compare it with that followed by Rome and Greece. Rome originated when three urban village groups united to form a larger co-operative unit with a citadel on the Capitoline Hill and Greece when eleven Attic community centres clustering about Athens

combined with that city to found the Athenian State. Both Rome and Greece expanded from their nuclei in accordance with what is known as the "expansive method of colonial acquisition." But England, on the other hand, after bringing Scotland, Ireland and Wales into the United Kingdom, adopted an entirely different policy, owing possibly to the vigorous opposition encountered in France and Germany, which made the "expansion method" impracticable. England, finding strong Continental groups opposite her on the mainland hostile to invasion, began to search about for another territorial outlet, and finally originated what was, perhaps at the time, an entirely new scheme. This system, now called the "island system of colonial acquisition," is the one she has followed until the present time and upon which she has erected her enormous empire. That it was extremely perilous and required undreamed expenditures did not daunt her, and we cannot but admire her tremendous energy and tireless persistence in putting it into operation.

In its conception the plan embraced several essential factors, the chief of which was the maintenance of supreme naval ascendency at all periods, not only upon the Atlantic Ocean, but on each of the "seven seas" as well, for without this naval ascendency the whole system would have gone to pieces. Thus, by virtue of the protection assured by her powerful fleet, the British were secured against aggression and foreign interference and were free to plant small colonies in desirable locations, these colonies being frequently preceded by private or semi-private trading organizations. Scattered over the earth like fertile seeds, and often separated from the mother country by hostile nations, these colonial centres were completely isolated save for the fleets of commercial vessels plying between their shores and the great docks on the Thames; and it is from this

"island-like isolation" that the system derives its name. The idea was to foster these centres through trade and immigration until they grew and were concatenated into substantial colonial areas which, in turn, could be expanded until their different adjacent boundaries joined to form one contiguous, homogeneous empire encircling the entire globe.

A MAGNIFICENT UNDERTAKING

By 1914, a little over three hundred years after the acquisition of Newfoundland—the first of the British possessions—the different colonial centres had been fused into substantial colonies and dominions and grouped under the general appellation of "The British Empire" which, as H. G. Wells points out, "sprawled like an open hand throughout the world, its members different in nature, need and relationship, and with no common interest except the common guarantee of safety." With the opening of the Great War came the beginning of the last step in this magnificent undertaking—the start toward fusion of the several areas into a cohesive whole. A study of the terrains of British action during the struggle illustrates how the process went forward even while the victorious German armies were advancing upon Paris and dropping bombs in Piccadilly Circus and the unsuspecting British public were heroically sacrificing their lives "to protect" their homes and loved ones. At the Peace Conference David Lloyd George, with his electrical personality, became the human instrument in the preliminary assembling of this gigantic machine, and returned to London after having achieved a brilliant diplomatic victory

—the concession to Great Britain of the Tanganyika Territory in East Africa, connecting the South African colonies with Egypt and the Sudan, and the initial clearance of the obstacles in Asia Minor standing in the way of bringing the now combined East African colonies into contact with India and Burma and at last bringing these African-Asiatic areas into territorial communication—the first great step in the final unification of the whole.

Thus, by 1920, we find the British Empire embracing one-fourth of the five continents of the earth and an equal fraction of the entire human race. When we remember that Australia, only one of its six dominions, is as large as the whole of the United States, we can begin to conceive of its vast size. But also, at this time, we are confronted by three very alarming facts, the first of which is that the bulk of the population of this huge empire is not white, nor of the "ruling race," and that the centre of its population is not in London, the capital, but thousands of miles away in India, one of the least strongly affiliated of the colonies. Perhaps the gravest of all these problems is that of the final completion of the empire, since it appears that the empire has reached that territorial cli-



THE BRITISH IMPERIAL CONFERENCE, LONDON, 1926
—Cardiff Evening Express

max which, in the past, has marked the turning point before the beginning of decline and ultimate dissolution. It is the historical apex where further geographical expansion becomes impossible. A glance at the map will convince us that the British Empire has now reached that stage and cannot complete her tremendous plan without coming into conflict with one or more powerful nations which, in turn, are safeguarded by international guarantees with her own allies.

The undeveloped sections of the earth inhabited by backward peoples have now all been colonized, with the exception of a few countries like Persia, Liberia and Abyssinia, which are under the protection of first-rate military nations—the United States, France, Japan or Russia. Unless, therefore, Great Britain draws swords with one of them, the third and final stage of her magnificent design will have to be abandoned forever, leaving the parts of her empire still unjoined and the whole an imperfect organism. Between her Australian dominions and Burma lie the Dutch East Indies and Siam, which is under French protection; between India and Mesopotamia stands Persia, backed by Soviet Russia; between Mesopotamia and Egypt is the French mandate of Syria; between the Anglo-Egyptian Sudan and the British West African colonies of Nigeria and the Gold Coast is French Equatorial Africa and French Dahomey, and between the Gold Coast and British Sierra Leone and British Gambia stand French Guinea and the independent negro country of Liberia, under the protection of the United States; while any attempt to join British Hongkong with Burma would immediately call forth Japanese protests and intervention, as well as Chinese opposition.

PROBLEM OF UNITY

This situation leaves only two possible lines of action—war with France or the abandonment of the plan and an attempted crystallization of the empire in its present condition. Since the first may be dismissed from consideration, the statesmen of Great Britain are confronted with the problem of ruling an imperfect empire, whose seg-

ments are held together by the flimsy cords of political administration and the assurance to the colonies of safe protection against foreign aggression. In the past the maintenance of peace and tranquillity has kept the colonies clustered about the mother country and given a degree of mutual interdependence to the many different centres guaranteeing, as Wells points out, a wide peace and security which made the empire be endured and sustained by many men of the "subject" races in spite of official tyrannies and insufficiencies.

At this point we come to the consideration of modern developments in international relationships which indicate the approach of an era when the integrity of small independent nations will be safeguarded from outside attack, and when such areas as the component parts of the British Empire will no longer need the military protection of any single powerful nation to enable their peoples to enjoy peaceful liberty and the pursuit of happiness. The last century has seen notable progress made in this direction, so that such small countries as Holland, Switzerland, Denmark, Luxemburg, Guatemala, Salvador and Costa Rica are able to exist unmolested. With the birth of the League of Nations arose a confederation in which small countries could cooperate in world affairs and which offered them renewed assurances of safety from piratical designs, and, if they desired and required it, the guiding hand of qualified experts, until such a time as they could educate their mass populations up to the level of intelligent self-government. From this angle it is evident at once that the League of Nations or any other international organization undermines the whole superstructure of colonial possessions when we remember that "protection from invasion and the administrative advantages of a more efficient civilization" have been the sweetmeats used to entice and reconcile the peoples of the backward areas into allowing themselves to become colonies of first-rate powers.

This knowledge, coupled with the desire for self-determination, has already caused an undercurrent throughout the British colonies which today is probably the

strongest in India and Egypt. India, we have already noted, is the population centre of the British Empire; while Egypt, it will be observed, occupies a strategical position equal to that of Gibraltar—namely, commanding the Suez Canal, which is the gateway between the British Isles and East Africa, India and Australia. It is true Egypt is not a part of the British Empire, but through necessity Great Britain has been forced to dabble in its politics to protect her other interests, and Fuad, the present King of Egypt (who incidentally speaks Arabic with a foreign accent), is one of her creations through whom she exercises a partly incognito protectorate.

DEPENDENCE ON COLONIES

This, in brief, is a rough sketch of the British colonial situation, which is further complicated by the fact that Great Britain, and particularly London, has become practically dependent upon the colonies for revenue and political and social prestige. Like a dignified landlord, England lives upon the labor of her distant slaves, and through this labor and her own skill in management she has built up what is unquestionably the noblest and highest cultural civilization the world has seen. Without her colonies England would have been nothing; deprived of them she will settle into a delightful little nation like Norway or Sweden—a country of quiet homes, pleasant daily life and dynamic intellectual thought—a place where people will go from all over the world to drink of the finer things of life and the wholesome charm of picturesque landscapes aglow with a pastoral beauty to be found nowhere else upon the earth. This is the destiny which many of her penetrating thinkers fear, but which, after all one might feel, is not the abysmal tragedy they are wont to picture it.

To prevent such a "catastrophe" the present Government as well as Great Britain's other leading statesmen are bending every effort to develop an economic and social cohesion between the colonies and the mother country, and upon the success of this rests the final outcome. The great

British Empire Exposition at Wembley was one move in this direction. Its purpose was to build up a permanent federation of good-will and trade associations with branches in each colonial centre, somewhat similar in nature to the American Rotary Clubs. But more important is the attitude of the political leaders.

Outside the present Government ranks, Ramsay MacDonald's ideas are probably most worthy of attention. Long before he became Prime Minister and Foreign Secretary he had made a profound study of the problem of the British Empire and became fully cognizant of its gravity and importance. While head of the British Government he pursued a policy almost the reverse of that of the present Baldwin Cabinet. A comparison of these two policies will perhaps serve better than anything else to illustrate the two administrative methods of attacking the problem.

MacDonald's policy was to get directly at the root of the individual grievances affecting both colonial and international situations in a plain common-sense manner and to meet and discuss methods of ameliorating and peacefully adjusting these grievances, endeavoring to win by confidence and respect the renewed loyalty of the populations in the colonies and protectorates. A man uncircumscribed in his thought by the political boundaries of the British Empire, he viewed world movements from a larger, objective angle and realized that the era of national colonial domination was passing and giving place to international cooperative guidance to all backward peoples. In accordance with this new movement he set about to stabilize the international machinery for handling these matters and to begin a process for transferring to its jurisdiction what questions very evidently belonged to an international organization to handle. It was possibly this friendly and informal attitude which brought about the bitter British criticism of his foreign and colonial policy, for it was an alarming departure from the historical and traditional methods pursued by his predecessors, offered an opening for scathing charges of sacrificing "British interests and honor" and savored little of the ancient swashbuckling and sword-

rattling so dear to the emotional masses in every country.

CRISIS OF BRITAIN'S FATE

The foreign and colonial policy of the Baldwin Government is quite the reverse and is a retrogression to the traditional policy which Great Britain has pursued for centuries and which has played its part in the upbuilding of the empire. This code is, popularly speaking, "to make the lion roar" and to quell any signs of discontent among the subject populations by threatening menaces of military punishment. The handling of the Egyptian situation may be cited as one illustration, although there are several others equally suitable. In accordance with this type of policy it was only a matter of course, therefore, for the British Government to refuse to ratify the Geneva Protocol even with suitable reservations, though adherence was later given to the Locarno pacts, and to turn to

less fundamental and more spectacular "peace schemes," such as the limitation of armaments, which would in no manner interfere with the application of "military discipline" to refractory colonies or weak and liberty-loving protectorates.

As will be noticed, the weak point of this policy lies in its dependence upon the military supremacy of the Government in London and in its failure to reinforce the bonds of friendship and social intercourse which bind the empire together like a bundle of fagots. For this reason, in spite of what may be done to rejuvenate economic conditions in Great Britain itself, the outlook for the present Government cannot be regarded as strongly optimistic, while the destiny of the great British Empire is still pronouncedly in the balance, as day by day the historical movement gains momentum and brings this vast unfinished political organism to a climax still blurred in the indistinctness of the future.



The Menace to Science From the Fundamentalist Movement

By MAYNARD SHIPLEY
President Science League of America

In the minds of millions of voters in this country evolution has become a politico-religious issue of supreme importance. This situation establishes an entirely new departure in the history of American politics, and presents a grave danger to the progress of education.

In nearly every number of the various Fundamentalist magazines evolution is denounced as a dangerous heresy, a menace to civilization. W. M. Boling, member of the Kentucky Legislature, defines evolution as "Atheism clothed in a robe of intellectual respectability." To the teaching of evolution in our schools, the Fundamentalists declare, is due most of the crime and immorality and "general lawlessness of the public." Hence, the teaching of evolution must be suppressed by law.

"I promised my people at home," said a member of the Oklahoma House of Representatives, "that if I had a chance to down this here hellish Darwin, I would do it." Had the devout lawmaker not so promised his "people at home" he would probably not have been made a member of the Legislature which, on Feb. 21, 1923, passed an anti-evolution rider to the textbook appropriation in the House by a vote of 87 to 2. A month later, assured by the volatile J. Frank Norris that "evolution is the most damnable doctrine that has come out of the bottomless pit," the solons of the Texas House of Representatives decreed by a vote of 66 to 34 that this "most damnable doctrine" should be banished from the schools and colleges of the Lone Star State. The Florida Legislature had already passed a unanimous resolution declaring it "contrary to public welfare for teachers paid by taxation to teach as a fact any hypothesis that links man in blood relationship with any lower form of life"—a shrewder form of expression than is con-

tained in some of the bills, avoiding as it does a long-winded discussion as to the meaning of "evolution."

The idea of outlawing evolution soon spread to other States, becoming so menacing to freedom of teaching that the 14,000 members of the American Association for the Advancement of Science—representing eighty-six special scientific societies—felt called upon to issue an official report on the subject. The council of the association later issued a resolution in the form of four specific statements, the third of which affirms "that the theory of evolution is one of the most potent of the great influences for good that have thus far entered into human experience; it has promoted the progress of knowledge, it has fostered unprejudiced inquiry, and it has served as an invaluable aid in humanity's search for truth in many fields."

In July, 1925, came the spectacular trial and conviction of John T. Scopes at Dayton, Tenn., for teaching a doctrine of science which was contrary to the "story of Creation told in the Book of Genesis." On Feb. 8, 1926, the legislators of Mississippi outlawed the teaching of evolution in that Commonwealth, and on June 22 the House of Representatives of Louisiana passed an anti-evolution bill by a vote of 52 to 43. Sent to the Senate the next morning, the bill was "indefinitely postponed" by parliamentarians who were opposed to its enactment. The chagrined Fundamentalist leaders in the "crusade" openly avowed that "new faces will be seen in the next Legislature." One hundred anti-evolution orators were engaged during the Summer and Fall of the present year to aid in the defeat of any candidate for the General Assembly of North Carolina who would not pledge his support in advance for a drastic anti-evolution measure to be pre-

sented in the first legislative session of 1927.

But it is not intended to give here even a brief history of the attempts of the Fundamentalists of a number of States to abolish by legislation the freedom of teaching of our tax-supported educational institutions. Despite the "resolutions" of numerous scientific bodies throughout the nation, backed by 15,000 school superintendents and teachers in convention assembled, representing 800,000 teachers all over the country, the campaign against the teaching of evolution in our schools and colleges grows daily more aggressive, and is being thoroughly organized and adequately—more than adequately—financed.

In perusing the papers, pamphlets and books written by Fundamentalist authors as attacks on the theory of evolution, the informed reader is at once struck by the fact that all of their legitimate criticisms of Darwin and other competent writers on the subject of evolution are borrowed from the books, papers and addresses of the evolutionists themselves! On the other hand, criticisms which are not so borrowed—i. e., "original" attacks—are, without exception, based either on broad ignorance of the subject under discussion, or bold defiance of the known facts in the case. Taking advantage of the happy circumstance that many new discoveries in all provinces of natural science have been made since the death of Charles Darwin in 1882 leading to modification or revision of some of the conclusions tentatively put forward by the illustrious British naturalist in the third quarter of the nineteenth century, the Fundamentalists write glibly of "the death of Darwinism," "repudiation of the Darwinian theory of evolution," implying, of course, in the same breath that "evolution has been disproved" or "abandoned by the greatest living scientists"—a classification in which they include the Rev. Dr. William Bell Riley, the Rev. Dr. John Roach Stratton and Professor George Macready Price! So we meet today with the astonishing situation that the progress made in the further development of the theory of evolution since the appearance of *The Origin of Species* in 1859 is a "proof" of its downfall "in the

light of new discoveries!" The rediscovery of the epoch-making paper by the monk Gregor Mendel in 1900, and the subsequent development of genetics in the light of Mendelism, has been, in particular, referred to over and over again by the Fundamentalists as being a "death blow" to the evolutionary theory—and this despite the fact that every single genetecist living today is a stanch evolutionist.

A WAR OF CULTURES

But there is another and far more important phase of the anti-evolution war. "Evolutionist" and "anti-evolutionist" have a much broader meaning and significance to the Fundamentalist hosts than they have to the average educated person. The present warfare on the teaching of evolution is but a special phase of a much wider and deeper conflict than appears on the surface. And herein lies its danger to the spirit of free scientific inquiry. It should be more fully realized by the public at large, as well as by educators, that the question of the teaching of evolutionary doctrines in our schools is not the sole issue involved; that it is not the crux of the campaign inaugurated some six years ago by the forces of obscurantism. The fact should be faced that the real problem confronting the nation is that arising from the unavoidable struggle within the republic of two diametrically opposed cultures. The war on evolution is but an open and particular expression or symptom of what has until recently been a more or less suppressed, or partly hidden, revolt of the traditionalists against all the forces of modern culture. The eyes of traditionalists are turned backward; the eyes of modern educators are directed forward. The eye of the obscurantist, accustomed to the twilight of an age gone by, cannot withstand the bright light of the age of reason and of science. This is probably what Oliver Wendell Holmes had in view when he said, "The mind of a bigot is like the pupil of the eye; the more light you throw upon it, the more it contracts."

Sixty-seven years have passed since Darwin's *Origin of Species* precipitated a conflict in Great Britain and elsewhere which ended, within a comparatively short time,

in the triumph of the method of science, which is discovery, over the method of tradition, which is revelation. The sudden precipitation of the Scopes trial, following on the Tennessee law, merely brought to the attention of this nation a revolt which had been smoldering in certain sections of the country for some years. Many scientists, deeply absorbed in their own researches, were profoundly shocked by the first news from Dayton. They had thought the question of evolution settled long ago. "Now," they said, "it looks as if we shall have to go through this fight all over again," which was hardly an accurate statement of the case.

The former battle was between an educated clergy on one side and an educated public on the other. The populace at large took little interest in the controversy, and could have done nothing about it if it had. The situation in this country today is quite a different one. The battle is between the educated clergy and the lay world of enlightenment on one side, and the uneducated clergy and the unenlightened public, on the other. Whereas the older controversy was settled by a battle of wits and a preponderance of scientific evidence, with no attempt on the part of the general public to suppress that evidence by legal enactments, in the United States today the conflict rages between the proponents of the method of science, on the one hand, and the devotees of tradition, on the other, with the latter resorting to the police powers of the State to support their theological views. It is not now a struggle between a small group of fighting parsons and a few aggressive defenders of science; this new conflict is destined to become—or already has become—a nation-wide battle in which every voter must, in veritable self-defense, take sides. And the fight has just begun. There will be no compromise, "no political trading." The Fundamentalists assure us that this is to be "a fight to the finish." And it will be finished *at the ballot-box*, not on the rostrum or through the more enlightened press.

EVOLUTION VERSUS "REVELATION"

A conciliatory attitude on the part of scientists and Modernist clergymen will by

no means avert an open political contest, as many observers have complacently assumed. The proponents of authority—the traditionalists—stubbornly refuse to concede that Adam, the perfect man, whom the Lord God placed in a "garden eastward in Eden," was *Pithecanthropus erectus* in Java; and they deny vehemently that the Fall of Man really means the Ascent of Man! Why seek the origin of species in a book by Darwin, or in the great outdoors, when there is no such problem, the answer having been given in a book by Moses thousands of years ago, under the direct revelation of the Creator of all species? "If we accept the Bible as true," said the late anti-evolutionist, Colonel Bryan, "we have no difficulty in determining the origin of man," nor of any part of man. "Take the eye, for instance; believing in the Mosaic account [which alone, the Bryanites claim, should be taught in our schools and colleges], I believe that God made the eyes when he made man—not only made the eyes, but carved out the cavern in the [clay] skull in which they hang." (*In His Image*, p. 97). Thus we are not surprised to be assured further that "there is more science in the twenty-fourth verse of the first chapter of Genesis than in all that Darwin wrote" (p. 94), said verse being: "And God said, Let the earth bring forth the living creature after his kind, cattle, and creeping thing, and beast of the earth after his kind: and it was so." What need, then, for biological research, for geological investigations, or studies in anthropology—"mere guesses" of scientists "falsely so called"? "Many," said Mr. Bryan, "have tried to harmonize Darwinism [a word used by the Fundamentalists generally as synonymous with "evolution"] with the Bible, but their efforts, while honest and sometimes even agonizing, have not been successful."

Obviously, then, there is no basis upon which the Fundamentalist could discuss some sort of reconciliation of the Old with the New. "Never," declares a leading spokesman of traditionalism, the Rev. Philip Mauro, "has there been a doctrine so audaciously proclaimed in direct and defiant opposition to the truth of Creation, *revealed* [italics mine] in the Holy Scrip-

ture. Therefore the theory of evolution is pre-eminently suited to exemplify the Scripture, 'Hath not God made foolish the wisdom of this world?' (1 Cor. 1:20)." "The wisdom of this world" being "foolishness with God" (1 Cor. 3:9), who "turneth wise men backward" (Is. 44:25), scientists should not be permitted to present any facts in their classrooms which might tend to weaken the pupils' faith in the literal accuracy of the Book of Genesis or of any other portions of the Word of God. This is the Fundamentalist position, and no argument or evidence based upon "the wisdom of this world" could possibly move anything more serious than their undisciplined emotions.

Hence it is obviously quite futile to assure these irreconcilables that "there is no conflict between true science and true religion." The organized forces of reaction are not in the least interested in any such vague references to "religion." What they are fighting to protect from the assaults, direct or indirect, of modern progress is what they are pleased to call "Christian fundamentals." The higher criticism and evolution are, in their view, of the devil, or, at the very least, "foolishness with God." The doctrine of evolution, they contend, as taught in our educational institutions and as set forth in the literature of modern science, history, sociology, psychology, and so forth, is antagonistic to "revealed truth." The conciliators, on the other hand, deny that evolution is in conflict with the Bible "when properly interpreted"—that is, when interpreted by themselves. But upward of 25,000,000 organized Fundamentalists hold that they alone "properly" interpret the Holy Scriptures; that they alone are qualified, by faith and loyalty to tradition, to determine what is and what is not "true religion." They are as fervently opposed to "theistic evolution" as to "atheistic evolution." Some Fundamentalist spokesmen assert that the former is more dangerous to Christianity than the latter, because "more insidious."

In short, the foes of freedom of teaching in our schools are concerned with the fostering and preservation of faith, not in the dissemination of "worldly wisdom,"

and if the latter seems to them to be a menace to the former, then the police powers of the State and nation must be requisitioned to outlaw worldly knowledge. "Better wipe out all the schools," says Dr. Stratton, "than undermine belief in the Bible by permitting the teaching of evolution."

In one respect, at least, the situation in America is just what it was in England in Huxley's day, excepting that where the great champion of evolution used the word "cleric," we must substitute the word "Fundamentalist." "The cleric asserts," said Huxley, "that it is morally wrong not to believe certain propositions, whatever the results of a strict scientific investigation of the evidences of these propositions. * * * He declares he has prejudged certain conclusions, and looks upon those who show cause for arrest of judgment as emissaries of Satan." Now, the attitude of modern science is, to borrow Dr. David Starr Jordan's phrase, that "man knows only what he has found out." On the contrary, the attitude of the Fundamentalists is that what man knows of real value has been "revealed" to him; that what he thinks he has *discovered* is mostly "science falsely so called." In his search for knowledge the scientist resorts to his laboratory. For "truth," or science "rightly" so called, the Fundamentalist appeals to "the Book"—to tradition. There is here, then, a manifest difference in method and purpose, leading to diametrically opposed conceptions of "education" and the meaning of life. "For East is East, and West is West, and never the twain shall meet." The Fundamentalist culture is of the Orient—its method is of the ancient East; the culture of the scientist is of the modern West, and its method is that of patient research and experiment. The "faith" of the scientist is based upon discovery and the slow but certain advancement of the human race through trial and error, through struggle and achievement; the faith of the Fundamentalist is based upon a Book, "to which the attribute of infallibility is imputed"; and he believes that man's career started in perfection and ended in depravity, from which there is no escape excepting through repentance and a

bloody atonement, a vicarious sacrifice by which the race may be redeemed.

SEEKING A "FUNDAMENTALIST THEOCRACY"

Flowing naturally from these two contrasted premises are two separate and distinct theories of the origin, nature and purposes of government, as well as of human life. For the founders of the United States of America, government was based upon the consent of the governed; for the Fundamentalist—Protestant or Roman Catholic—the powers that be are ordained of God: hence a strictly secular government, such as the founders thought they were establishing in this country, is unsupportable, either in theory or in practice; and we are daily assured that Washington, Jefferson, Franklin, and so forth were mistaken in their views and that the Government of the United States is a Christian—i. e., a Fundamentalist—government. Control of the executive and legislative functions of the individual States and the National Government, along with that of public institutions of learning, the press, motion pictures, radio, and all sources of news and propaganda, is, for the Fundamentalist, a prerequisite to the establishment of his conception of God's kingdom on earth, with Christ as "King of Kings." The members of one group of Fundamentalists have refused to exercise the franchise for many years, or to give allegiance to the flag, on the ground that the Constitution fails to name Jehovah and the Bible as the basis of our laws and institutions.

Were their demands granted, or were the Fundamentalists to gain a majority of representatives in Washington, the United States would become forthwith a Fundamentalist theocracy, under which none but the orthodox could sit on juries, act as witnesses, teach in our public schools, speak on public platforms, or be protected in even the most elementary of their civil rights. "I believe," recently declared the Rev. Dr. Walter D. Buchanan, pastor of the Broadway Presbyterian Church (as quoted in *The New York Times*), "that any one who stands for atheism is punishable and deserves to be punished under the Constitution of these United States." Yet

Article VI of that great document declares that "no religious test shall ever be required as a qualification to any office or public trust." Speaking before an audience of 8,000 persons in Cadle Tabernacle, Indianapolis, the Fundamentalist evangelist, Dr. Bulgin, declared that "unbelief is a bigger sin than murder or horse-stealing," and that "no one should be allowed to teach in the public schools who is not a member of some Protestant Church"—a "religious test" as a qualification for teaching arithmetic or grammar! As a matter of fact, such a test is given to prospective teachers in nearly every State in the Union. Fundamentalism and a purely secular form of government are quite irreconcilable.

In a keynote speech before a body of Lutherans, the Rev. Dr. Andreas Bard urged that "the pagan goddess Liberty at the entrance of New York Harbor" be removed, and in its place "a statue of Jesus Christ" erected. The Fundamentalist does not believe in liberty; hence a statue of Liberty anywhere in his prospective kingdom is objectionable. "The soul of the American idea is that our country was conceived in freedom and dedicated to liberty," rightly asserts the Rev. Dr. Albert C. Dieffenbach, editor of *The Christian Register*. "But with the rising tide of Fundamentalism, we have seen a Legislature [by now, two Legislatures] assume divine authority, become, in fact, exactly what the emperor or king once was. The Legislature, that is to say, is both spiritual authority and political legislator. * * * A virtual State Church has thus arisen, composed of many sects, with like doctrines and political purposes, and the effect of their dominance and solidarity is the setting up of a monarchy in the heart of a democracy. * * * We suffer today with treason against the democratic State and with betrayal of the religion of freedom. * * * In the country's history of religion we have not had such ominous and cowardly silence as we suffer now on the very central teaching of Jesus and the fundamental principle of our country. * * * The Fundamentalist State-church believer, who is an enemy of the democratic principle, is a dangerous person in

power, because what he believes is of necessity what he does."

Thus the present war on evolution—i. e., on modern science—is seen to be but a thinly veiled war on all that is basically sound and progressive in our modern civilization; a war on freedom of thought, research and teaching; a war on personal liberty and the highest ideals of our present-day culture.

Obviously the spirit of science could not prevail in an atmosphere tainted with the odor of the police court. No true culture could be preserved and expanded under the narrow restrictions of dogmatic religion, bound and limited by credal formulas that have absolutely no bearing on the work of the search for truth in field and laboratory. The true scientist cannot be apologetic or respectful to error and ignorance. He is not, properly, "on the defensive." Recognizing the fact that ignorance is man's only real enemy, the scientist must insist upon working in a free atmosphere and with a free hand, bound by no traditions, however hoary or precious in the eyes of bigots. The method of science involves unrestricted research,

and real education demands freedom.

It becomes daily more self-evident that the crux of the anti-evolution campaign is not merely a question of whether or not evolution is a valid scientific theory, or whether evolution should or should not be taught in State-supported institutions; but of whether the method and ideology of science shall prevail over the method and theology of Fundamentalism. In this country, with its universal suffrage, this question can and will be settled (for a time at least) not upon the merits of the issues involved, but by a counting of ballots. In the end this means that in the immediate future the best organized, most earnest and most enthusiastic army, on whatever side it may be in this conflict between the old and the new, will win and impress its particular culture upon the people as a whole. A careful and impartial survey of all the available facts leads inevitably to the conclusion that this "government of the people, by the people, for the people," will be captured by the Fundamentalists within a decade, unless *Organized Ignorance is confronted by Organized Intelligence.*



Rural Churches Dying in America

By JAMIESON MORE

THE Little Brown Church, which has been one of the greatest factors in the development of Christian civilization in this country and upon which the Christian Church of America was founded, is going the way of the Little Red School House. But whereas the latter is being replaced by the modern district school, the rural church, once the centre of every American rural community, is dying out so fast that now only a concerted effort on the part of all denominations can possibly save it from total obliteration.

There are thousands of abandoned churches in our rural districts; Ohio alone has more than 1,050. Millions of our rural population are without religious leadership or church affiliation of any kind. Nearly 2,000,000 rural children are growing up without religious training. There are a great number of rural communities in which the religious complexion of the people is hardly different from that of the semi-civilized tribes of Africa. Indifference, materialism and religious emotionalism are rapidly replacing the active Christian life of the rural population of the past.

There are many communities in which the Christian church is still alive, but in a larger part of rural America church influence is dead, or dying out, or is maintained through the medium of denominational strife. Some authorities estimate that the influence of the Christian church in rural America has declined more than 40 per cent. within the last fifty years. In many communities in which there is any religious life it is controlled by sects which thrive on emotionalism, and which the Rev. Charles Otis Gill and Gifford Pinchot, present Governor of Pennsylvania, in their 6,000 *Country Churches*, declared to be scarcely better than communities of dervishes. Their conception of salvation seems to be the ability of a person to go into a trance or emotional frenzy and to

dance and shout like those who are already "saved."

In a rural church survey made in Ohio in 1917-18 there were eighteen counties found in the southern and southeastern parts of the State in which these sects were in complete control, notwithstanding the fact that nearly 30 per cent. of the churches were Methodist Episcopalian, with other leading denominations substantially represented. Church efficiency was found to be the lowest in this section of the State. The survey also showed that the percentage of illiteracy, illegitimate births and deaths from preventable causes was the highest in the eighteen counties and that the selling of votes to the highest bidders was a common practice. These conditions were found to exist in a territory the population of which is almost of pure American stock, the percentage of foreign-born being less than 2.5 to the State's total of more than 12. Though this survey was made several years ago, the general situation in these eighteen counties has not changed sufficiently to warrant a substantial revision of these facts.

Perhaps Ohio cannot be taken as an accurate index for the entire country, but the decline of the church in rural America, especially in the Western and Southern States, is too evident and has gone too far to be considered anything less than a matter of national concern. Lack of church influence begets religious indifference, which in turn lays the doors wide open for the forces of materialism, atheism and even paganism. But our outstanding denominations prefer to concentrate on selfish and ineffective denominational programs rather than to combine their efforts and do what they can to salvage the rural church.

There has never been anything like this in the history of Christianity. The persecution of the early Christians, the wholesale corruption in the early church, the

barbaric invasion of Christian Europe and the religious wars coincidental to the Reformation were indeed terrible. But history does not record another case of a powerful Christian nation, which is rich in economic resources, which occupies a high place in the Christian civilization of the world, which spends enormous sums annually in Christianizing the pagan tribes of heathendom and which nevertheless allows thousands of churches within its own borders to die and Christianity to decay.

DEFINITE CAUSES OF DECLINE

The decline of the rural church can be traced to some very definite causes, one of the most important of which is the development of transportation due to the automobile and good roads. In the past the farmer walked or drove in a buggy to his church and his desire for entertainment was satisfied by attending an occasional box social, supper or some other similar activity at his church. But today he is able to drive to the city to attend services and for entertainment.

Another cause lies in the fact that the rural church is unable to attract and to hold the interest of the young people. The fact that the young people of a century or even fifty years ago were faithful church-goers under the then existing conditions cannot be applied to the present generation. The economic reconstruction of rural America has given rural youth a new aspect of life which in turn has created a demand for intelligent religious education and for extensive facilities for recreation and social life. The average rural church is poorly equipped to meet this demand. It is usually a one-room structure and its only evident program is to hold services. City churches long ago realized the insufficiency of such a narrow program and enlarged their activities; they have developed their religious educational departments until they resemble small universities. Most of them have special rooms for social activities, for banquets, dramatic presentations and lectures, and in the basement there is usually a basketball floor and often a swimming pool. It is hardly possible for the rural church with its one-sided program to compete with the modern city

church. But there is no question that if the rural church were to be reconstructed in harmony with the new social and economic conditions, the young people who today satisfy their religious needs in the city would return to the rural church.

Then there is the change in the religious complexion of the various rural communities. Towns and villages once wholly Baptist, Methodist or Presbyterian, now number a half dozen or more denominations, each trying to maintain a separate church. There are innumerable communities of 1,000 or less population in which four or five churches, in some cases more, are fighting for existence. In such places denominational strife is going on endlessly, and the pastors preach on the various "isms" rather than on the doctrine of Jesus Christ. The battle is for the survival of the fittest, which is hardly in accord with the teachings of the Nazarene. As a general rule the denominational pastors fight for the control of the village or hamlet and never think of making a survey of the countryside and enlarging their church membership by taking in the people who are living outside the corporate limits. Great number of cases have been found in Ohio, Kansas, Oregon and other States wherein farmers had not been called upon by pastors for ten or twenty years, notwithstanding the fact that in the near-by villages the churches were dying out because of insufficient membership.

ANTIQUATED PASTORATE SYSTEMS

The antiquated part-time and traveling pastorate systems, relics of the early Colonial period, are a glaring example of pastoral inefficiency, and are helping along the forces of decay and disintegration. In the case of the part-time pastorate, the minister may be the village blacksmith, a laborer or a section hand. Investigators have found many cases in which the part-time pastor had not had even a grammar school education. Men of that calibre are in no wise qualified for constructive church leadership and for the intelligent preaching of the Gospel. Naturally, their sermons are usually based on wild assertions, with emotionalism as the principal motive. It is unreasonable and ridiculous that our

large denominations permit such uneducated men to assume the position of church and religious leadership when they can afford to send highly trained missionaries into the jungles of Africa.

The traveling pastorate system is equally bad. The first thing that strikes the investigator is the fact that our denominations are using very little business sense in assigning churches to their circuit pastors. This system, if it deserves that name, is the most outstanding case of waste of energy, time and money in the Christian church. A traveling pastor, "covering" six or seven churches, some of them as far as thirty miles from his home, cannot be efficient in his work even though he were to labor every hour of the day and night. And while he may be a good preacher, he is not a pastor, a minister or spiritual leader in the true sense of these words. No man can be a pastor of a flock, a minister to a congregation and really a leader of a church unless he spends all his time and effort in one church and in one community. With cooperative effort by the large denominations this system, through the exchange of churches and the reassignment of pastors, could be reconstructed to a point where it would increase its efficiency manifold. But again denominationalism stands in the way of improvement.

The economic advantages and opportunities for self-improvement in the rural pastorate is small. Consequently there is a constant drift of pastors from one church to the other. Thus by the time a minister gets really acquainted with members of his congregation and his community, if he is a resident pastor, the moving van is standing at his door ready to take him and his family to some new locality. In some States the turnover of rural pastorate is in excess of 60 per cent. a year. No organization, of whatever nature, can have such a large turnover in its executive personnel without suffering not only in efficiency, but also in loyalty and effective operation.

While the Catholic Church is carrying on an excellent program that seeks to develop the ruralite both spiritually and economically, it does not face such a gigantic problem as the one confronting the Protestant Church. In the first place, rural

America is predominantly Protestant. And whereas the Catholic Church stands as a perfect unity unto itself, the Protestant Church is divided into scores of sects and denominations, each of which is carrying on an individual program and seeking to promote its own, often selfish, interests. There are several causes which have been contributing to the decline of the rural church, but denominationalism is principally responsible for churches with memberships of 25, 30 or 50. If denominational leaders were community-minded, the small, struggling churches in each community could be combined into one large, efficient body of a Christian congregation.

THE COMMUNITY CHURCH PLAN

Of the number of plans advanced and tried in the salvaging of the rural church, the only one that has stood the test of practical application is the Community Church plan. This plan is identical in its basic principles of operation with the district school. And just as the latter has improved and increased the efficiency of rural education, the community church has succeeded in reviving Christian life in every community where it has been given a fair chance. The best example of this can be found in Massachusetts, which leads the country in development of the Community Church plan. There are ninety community churches in that State, and rural church efficiency there is undoubtedly the highest in the United States. The Rev. E. Tallmadge Root, Secretary of the Massachusetts Federation of Churches, told me recently that there are only rare cases of abandoned churches in his State. Governor Alvan T. Fuller of the Eastern State has endorsed the Community Church plan.

The greatest obstacle standing in the way of the development of the community church is denominationalism. There is no cooperation on the part of the various branches of the Christian Church, and the people are denominational-minded because their leaders are preaching sectarian doctrines. To quote the Rev. B. F. Lamb, Secretary of the Ohio Council of Churches and one of the foremost authorities on the rural church situation: "All denominations are too busy promoting denominational

programs, so that no serious effort has yet been put forward to solve the rural church problem." Benson Y. Landis, Research Assistant of the Federal Council of Churches, wrote me recently that he is "inclined to think that the amount of sentiment in local communities for community churches has been much overemphasized," and to establish the community church "there must be a change of attitude on the part of denominations and on the part of local people."

A recent issue of the *Community Churchman* contains an item about the Rev. H. W. Ainley, a Baptist minister, who founded a community church in a suburb of Albuquerque, N. M., and was bitterly opposed in his effort by the Baptist Church. Finally he was compelled to withdraw from the fellowship of the Baptist Church. But he was gladly accepted by the Congregationalists. This latter denomination went to the aid of the small church with financial help, but left it to develop independently as a community church.

Notwithstanding denominationalism, opposition and criticism, the community church is being developed throughout the country. At the close of the war there were comparatively few of them in this country. Today there are more than 1,200 such churches in the United States. While it is in the early stage of its development, it may be looked upon as the most significant religious movement of the century and as the first really serious effort directed toward church unity.

In its character the community church is predominantly rural. More than 71 per cent. of these churches are in villages, and fully 82 per cent. can be classed as rural, using the United States Census classification. There have been four types of community churches developed, the denominational, which is allied with one of the denominations but has an open membership; the federated, formed by the merger of two or more sectarian churches; the "Pepperell," in which the community church is formed as a super-organization of the denominational church, and the union church, which is independent of all denominations. Open membership is maintained in all and

a person of any denomination may join the membership. But all community church pastors maintain fellowship in their respective denominations. In the first and third types the denomination of the pastor is determined by the denomination of the church, but in the latter the other affairs of the church are controlled entirely by the community church, superimposed above the old denominational church, which acts as a sort of holding corporation. The federated type is most common in the rural districts. This has an open membership, but a denominational roll is kept of the members. The congregation formed by denominations which are using only sprinkling and pouring in the rite of baptism, confine their rite of baptism to these two forms. But in churches formed by denominations in which baptism is by immersion or by immersion, pouring or sprinkling, a person may be baptized by any of these methods. Thus, there are churches in which a Baptist pastor baptizes by sprinkling and a Methodist by immersion, depending on the denominational complexion of the congregation. The congregation has the final word in the selection of its pastor, and the majority determines the denomination of the minister.

The union church is an independent evangelical body, the furthest removed from denominational influence. While denominationalism sometimes does exert an influence in the selection of the pastor in the federated church, in the union church the qualifications of a pastor are deemed more important than his denominationalism. In the union church of Point Place, Ohio, a suburb of Toledo, sixteen denominations are represented. The pastor, the Rev. Lester Norris, is a young man and plays an active part in every worth-while religious, civic and social activity of his town. This church is growing rapidly, notwithstanding the fact that it is located in the shadow of large denominational churches of Toledo and that only a few miles of good roads separate it from the business district.

DOCTRINE OF CHRISTIAN SERVICE

The community church is successful wherever it is established because it is able

to replace orthodox theology with the doctrine of Christian service. It is able to organize a congregation on the ruins and dust of sectarian churches, and, like a fearless missionary, it is able to go and preach the gospel of Jesus Christ in communities in which Christianity is dead and succeed in its undertaking. It is the only type of church that is logically adapted to rural communities. Denominational authorities should note that it is very seldom, if ever, that a community church fails because of denominational differences or because of insufficient membership. It is true that the community church has not yet reached a stage in its development where it can effectively meet the gigantic problem presented by the rural church situation. But if all our denominations would join with the Congregationalists and Presbyterians in active promotion of the merging of sectarian churches in the smaller communities, within a decade there would not be a rural church problem. Rural people are denominationally minded because their leaders teach denominational doctrines. But the time is coming when they will renounce the city-made program and work out a program of their own.

Even now, wherever the community church has been established, orthodox theology is dying out and the people consider themselves as members of their respective churches rather than as members of their denominations. The community pastor succeeds in bringing about this change not through attacks upon the various denominations, but by stressing the logic and necessity of cooperative Christianity. His first effort is directed toward the complete conversion of the lay leaders to the community church idea. When this is accomplished, his success is assured, because the members will follow their leaders.

At any rate, the complete development of the community church in rural America is only a question of time. For the lone church that will remain in the small village or hamlet, whether it be denominational or not, will be a community church because it will minister to the spiritual needs of its entire community. And perhaps, with its adaptation of the community church, rural America is laying the foundation for Christian unity in this country. Christian unity has been realized in Canada, and it may be that the United States will follow in the footsteps of its Anglo-Saxon neighbor.



Eugenics Vital to the Human Race

By SAMUEL J. HOLMES

Professor of Zoology, University of California; author of *Life and Evolution* and
The Trend of the Race

EUGENICS, as defined by Francis Galton, who first employed this term, is the science which is concerned with the various forces which tend to improve or impair the hereditary qualities of human beings. It is based on the fact that human beings differ in their hereditary traits. If the hereditary differences among human beings are numerous and marked, and if these differences have any considerable effect upon the welfare of human society, then eugenics is obviously a subject of very great importance. Its simple premises being granted, the possibility of eugenics as a science, if not the desirability of its practical application, inevitably follows.

The improvement of the inborn qualities of human beings rests upon precisely the same biological basis as the improvement of races of plants and animals. Without hereditary differences the selective breeder could accomplish nothing. Every farmer knows that these differences are important. If a farmer or a stock breeder believed that all pigs and cattle were born equal, and that it did not matter whether he bred from his best stock or from his runts or scrubs, it would be evident either that he was woefully ignorant or that something was wrong with him mentally. I do not know if the farming community has thus far produced any outspoken opponents of the practice of selective breeding. A certain saving grace of common sense, combined with a due regard for obvious effects on the pocketbook, has thus far prevented the advocacy of this particular species of folly.

But with human breeding the case seems to be different. There are, it appears, actual opponents of eugenics to whom the whole subject is anathema. It must be remembered, however, that eugenics deals with matters closely related to the social sciences. In this field the opinions of

people are often warped by all sorts of prejudices, complexes and varieties of emotional bias. It is but rarely, however, that opposition to eugenics goes so far as to condemn the subject in an unqualified manner. Most of the critics of eugenics accord the subject at least a respectable rank. Many sociologists and psychologists are prone to emphasize the rôle of social, rather than biological, factors in the evolution of human institutions. There are many matters in which the relative rôles of heredity and environment are still a subject for legitimate differences of opinion. That both factors are of very great significance in the development of mankind cannot be disputed by any properly qualified student of the subject.

Every farmer who raises corn knows that to secure a good crop he must have not only good soil but also good seed. He also knows that there is a vast difference between different varieties of seed. Some kinds may yield an abundant harvest of fine, large ears, while others, even in the best of soil, produce nothing but small and poorly filled nubbins. Everything we know of heredity indicates that what is true of corn is true of man. There are finely developed strains, and there are the miserable nubbins, as in corn. In fact, as species go, our own is characterized by an extraordinary amount of hereditary diversity. People differ hereditarily in stature, shape of head, color of eyes and hair, general vitality, and a thousand and one other features of structure and peculiarities of function. They carry numerous hereditary defects, such as albinism, imperfections of dentition, color-blindness, haemophilia, dwarfism. A bibliography of hereditary defects of the eye alone fills a good-sized pamphlet, and a descriptive catalogue of all our hereditary ills would fill several volumes. There has accumulated a large and cogent body of evidence

that individuals differ in their mental traits as much as, if not more than, they differ in bodily structure. Mind and body are closely associated. They vary together. There is a strong consensus of opinion among leading writers on the subject that feeble-mindedness rests largely on a basis of heredity. Where two feeble-minded persons mate—and there are hundreds of such cases known—it is almost invariably the case that all the children are feeble-minded also. I believe there is no reliable case on record in which a really superior mind has been produced by two mentally defective parents. Psychologists are coming more and more to the conclusion that superior as well as inferior intelligence comes by grace of the germ plasm. They have practically abandoned the old absurdity that you can start with a blank and build up a mind. There is no pedagogical recipe by which you can get high ability out of inborn dullness. In mental as well as in physical traits it is blood that tells.

EUGENICS VITAL TO RACE

If there is any one thing which has been thrown absolutely out of court by the advances of biology and psychology, it is the dogma of the natural equality of man. The founders of our Government who spoke of men being created equal, and especially Jefferson, who is responsible for this celebrated phrase, never maintained that all human beings had the same heredity. The crude conception that democracy implies that one man is as good as another was quite foreign to their minds. They believed in freedom of opportunity for all, but they believed that those of superior natural endowments should be enabled to acquire more power and influence than their less fortunate fellows. One of the best things that can be said for democracy is that it affords the best means of securing the best men for positions of power and trust. In order to work well, democracy must have good human material from which to select. With a people made up of imbeciles and morons it is bound to work badly. With a people of fine heredity it is likely to work well. Its greatest

menace is inferior humanity. That is why the eugenic movement is of such vital importance in a true democracy. In proportion as humanity is allowed to suffer deterioration through the overmultiplication of inferior stocks, to that extent is the efficiency of democracy impaired, and the prospect of its continuance endangered.

The true spirit of American democracy is often grossly misunderstood. Some persons appear to believe that our liberties will be lost if we admit that one man has a better native endowment than another. In their panicky state of mind they make wild attacks upon eugenics, without informing themselves on the plain facts of heredity, or the real biological basis of eugenic doctrine. Few go to the extreme of denying the existence of hereditary differences among men, but so great is the force of bias against unwelcome conclusions that there are occasional exceptions even to this. The most strenuous opposition to eugenics is directed against the enforcement of laws to prevent the propagation of mental defectives and criminals. Here is an opportunity for the opposers to maintain that such laws constitute a dangerous encroachment on personal liberty. Apparently it is held that among the inalienable rights of the American people, the right to furnish the future with a liberal quota of imbeciles and morons to be supported by the State is too sacred to be tampered with. We may be thankful that the American people, as they are becoming aware of the evils arising from defective heredity, are beginning to regard the matter in a different light.

It will be helpful to consider this problem as it presents itself in a concrete case. An excellent one is described by Amos W. Butler of the Indiana Board of State Charities. "One woman, whom we will call 'Polly,' is known to have eleven illegitimate children, each with a different father. One of Polly's daughters, feeble-minded like her mother, has had eight illegitimate children, seven of whom are of the same mental calibre. One of these seven has had four illegitimate children. In this group there have been twenty-three illegitimate children, the offspring of three feeble-minded women. Altogether, Polly

has fifty-six lineal descendants, thirty-one of whom are feeble-minded and eighteen of whom have been inmates of public institutions. Sixteen of the eighteen are known to have spent a total of seventy-two years on public support, at a cost of \$10,800. This is one branch of a family group of 477 individuals representing seven generations. The younger members are still a serious problem in the life of the community."

Here we have a concrete and typical eugenic problem. The case of Polly is repeated thousands of times over in different communities. Indiana alone is estimated to have "56,718 mental defectives, 44,284 feeble-minded, 8,311 insane and 4,123 epileptics." It is futile to attempt to deny that all these types of defectives are largely the product of a bad inheritance. What then are we going to do about it? Shall we permit the feeble-minded Pollys to go on and contaminate the world with their defective progeny? Some apparently are perfectly content with such a procedure.

I sometimes think that misguided sentimentality, with the sophistical arguments by which it is so frequently supported, constitutes one of the greatest obstacles in the path of social reform. The damage that comes from bad heredity like Polly's is beyond calculation. The direct cost in dollars and cents is the least of its bad effects. It is this kind of heredity that is responsible for much of our pauperism, vagrancy, prostitution and crime. It creates problems for the courts, the charitable organizations and the social workers in every large city. It makes for the general inefficiency of our whole social organization, and as it is mingled with the blood of better stocks, it tends to drag down the average level of our racial inheritance.

But what shall be done about it? Eugenists may differ as to whether defectives should be segregated or sterilized, but they are in substantial agreement that the procreation of these social burdens should somehow be checked. Many hold that segregation is the proper procedure in some cases and sterilization in others. In many cases it might be feasible to give the de-

fective person or his guardians a choice between these alternatives. These are matters of detail which need not be discussed here. The fear which is sometimes expressed that sterilization will gradually be extended to include a large share of the population is really quite groundless. People easily imagine all sorts of extravagant abuses of legal enactments. After all, the safeguards of liberty lie in the common sense of the community, rather than in laws, and there is no more basis for fearing a gross abuse of sterilization or segregation than there is that punishment for crime will gradually lead to all the cruelties of the Inquisition. Thus far sterilization has done little but good in saving us from the progeny of a few thousand feeble-minded and insane individuals. If all hereditary defectives could be sterilized, the population of the future would assuredly feel grateful.

One is apt to overemphasize the purely negative, or restrictive, aspect of practical eugenics and to lay insufficient stress on the really much more important problem of increasing the better types of human heredity. No sensible eugenist proposes that matings should be arranged by the State for the production of a specific type of human excellence. But eugenists cherish at least the hope that humanity will gradually come to include an even larger proportion of superior hereditary strains. Humankind at present is a motley and mongrel lot. Galton was probably right when he remarked that "Our human civilized stock is far more weakly through congenital imperfection than that of any other species of animals, whether wild or domestic." Its average physique is certainly none too good. Only a small fraction of the population can boast of much beauty of face or form. As to brains, most of us could stand a considerably better equipment without impairing our usefulness, even in the humbler walks of life. I shall not attempt to specify just how these desirable improvements in our race might be effected. If any procedure of practical eugenics could succeed in raising the whole race to the level of the best 2 or 3 per cent. of its present representatives, it would be a wonderful boon for humanity.

Pilsudski—Man of the Hour in Poland

By JAMES D. WHELPLEY

Author and Economist; Special investigator of political and economic conditions in Europe

*L*A Pologne est la clef de l'édifice européen (Poland is the key of the European edifice). Over one hundred years ago Napoleon I thus characterized the position of Poland. It was in reality more a prophecy than a statement of a then existing condition. Later Poland went to pieces politically and economically and the structure of Europe did not collapse. If, however, serious disaster should come to Poland now, it is conceivable that in the train of this disaster would quickly come the European political upheaval which is predicted of the future by many thoughtful and dispassionate observers.

Great Britain, staggering under the load of the debt settlement with the United States and in the midst of a severe economic crisis, plays for safety in international affairs. France is only evading the economic reaction which must follow a long period of inflation and mismanaged finance. Italy, with a flamboyant foreign policy and an internal policy of repression, is looked upon askance and with a certain degree of apprehension by nations with more liberal ideas. Germany, strong and growing stronger each year, broods over her financial vassalage and hopes for future freedom. The now impotent parts of what was once the powerful Austro-Hungarian Empire despair of their economic position. Russia, deeply engaged in an evolutionary struggle, plays no part in the comity of nations, acting rather as an irritant.

In the midst of it all a reborn Poland, suffering from the combined ills of age and infancy, struggles to repatriate long alienated peoples and to evolve a centralized government that will make possible a realization upon a great heritage of tradition, land, minerals and industry which belongs to Poland by a regained right of possession. The history of the Polish peo-

ple is a highly emotional and tragic story with which the world is more or less familiar. The flame of Polish independence was lit many generations ago and has never been allowed to die. Hundreds of thousands of lives have been sacrificed to its preservation. The land had been overrun by aliens, parceled out to various ruling forces and made to pay tribute to its conquerors. Yet the spiritual freedom of the Polish people was never destroyed, and when, as a result of the World War, it blazed forth unrebuted and unrestrained, the whole world realized that here had existed something more enduring and more tangible than political boundaries or ruling dynasties.

To put this spirit into the harness of a conventional government, to evolve a political and economic system which would enable the people to carry on successfully the affairs of everyday life and to present to the world an orderly arrangement which would inspire confidence and make for uninterrupted material progress, such was the great task which confronted the Polish patriots. Under the friendly auspices of the Great Powers Poland came into definite being as a country nearly as large as Germany and with a population of over thirty million. Access to the sea was given by an artificial arrangement known as the Polish "Corridor." Danzig to the north was neutralized and an isolated patch of German territory, East Prussia, was left to German authority to serve as a continual political irritant in both countries. Within the boundaries of Poland agricultural land predominated, but to the south were great reserves of coal, oil, zinc, potash and other minerals. Vast forests in the South and East promised an almost inexhaustible source of wealth. Whatever may be said of the political boundaries, the economic foundations of the new Poland are sound



MAP OF POLAND

and well balanced. But to realize upon this position it was necessary to build a practical and smooth working political structure, and it is in the difficulties encountered in the effort to achieve this ideal that all the troubles of the past few years have originated.

To appreciate fully these difficulties it is necessary to bear constantly in mind that the Poland of today is a sudden union of three countries, in each of which an entirely different political, social and economic system had prevailed for many years and in each of which the cultural development was in different degree and along different paths. The northern part of Poland had been governed by Germany along recognized Teutonic lines of thoroughness. An orderly system had prevailed, and although the interests of the native Poles were subordinated to German needs, the business of the country had been conducted in a more or less efficient manner

and the people had considerable religious and educational freedom.

The southern portion of Poland had been under the control of the Austro-Hungarian Government and had been given a large measure of autonomy. The cultural and material resources of the country were allowed development; there were few complaints of serious oppression and the people were more or less contented. As a natural result of this state of affairs, from this section of the new Poland have come a large number of the men who have proved themselves to be efficient administrators.

The central part of Poland, which included Warsaw, was governed, or rather misgoverned, by Russia. In this section every possible effort was made to eradicate Polish

culture, destroy the religious belief of a majority of the people and to put the Russian stamp on every activity. The people were denied education, the peasant shifted for himself as best he could and all the material resources of this section paid tribute to Russian dominance. Hence it followed that the spirit of independence and Polish patriotism, unduly oppressed but cherished with fanatical zeal by Polish patriots and the Catholic priests, lived with more persistence and intensity here than elsewhere, and from time to time burst its shackles and broke forth into a momentary freedom generally disastrous to its sponsors. Here naturally arose the spirit and substance of the Poland of today.

To weld these three great Polish communities together socially, to evolve a harmonious system of law, education and economic practice and to arrive at some acceptable method of government for all the people was a task almost beyond the power

of those into whose hands it fell. To judge events in Poland fairly and to do justice to that country and its people it is necessary that these conditions should be understood, that the attitude of the observer should be sympathetic rather than hypercritical and that the political standards of the Western nations should be waived for the moment. In other words, the observer must endeavor to assume the Polish viewpoint rather than that of a citizen of a Western country whose people have been imbued for generations in the formulas of a constitutional government.

When peace finally came to Poland, which was not until the other nations of Europe had enjoyed it for some time, the land was desolate, the towns ravaged and the population destitute, with thousands roaming at large. To bring out of this confusion an orderly, prosperous and well-governed State was seemingly an almost impossible task. There were not only the obvious material, social, political and economic difficulties, but also those inherent in the character of the people themselves. They had been trained in subjection and even practiced in revolution, but had had little practical experience in self-government.

The men who took the matter in hand were inspired by a self-sacrificing love of country and an immense ambition sustained by a vivid imagination and dreams of past national glories and those to come. That there were others who came to the front whose motives were not as worthy and whose standards were not as high was inevitable, but on the whole the people of Poland have no cause to be ashamed of the men who have been in public office of importance since the new State was organized.

POLITICAL SITUATION "HOPELESS MUDDLE"

From the beginning the political situation was and still is involved by reason of the many differences of political creed among the people. The adoption of a system of proportional representation resulted in the organization of many groups or parties, each led by men and women who were enthusiastic and uncompromising advocates of the political principles they

had adopted. The President of the Republic was largely a figurehead, so far as his actual power was concerned. When Governments were formed they were necessarily of a coalition character, since no one of nearly a score of "parties" had a majority in the Polish Parliament. The results of this situation were a series of deadlocks or compromises which emasculated the strength of any definite program which might be set forth, and there was no guarantee of any continuity of policy or action.

After many vicissitudes, and from time to time a glimpse of what could be done by concerted action, the whole political situation resolved itself into an apparently hopeless muddle. Those who wished well for the country and had faith in the future, if some mode of motion could be found, were in despair. There was apparently no real reason why Poland should not at once fall into a stride that would soon overtake all the troubles of the moment, but the nation was apparently tied hand and foot through the controversies which raged among the numerous divisions of political thought. The business of the country suffered from this blight of political argument; economic conditions continually became worse rather than better; the credit of the nation abroad was at a low ebb; a bad harvest in 1924 accentuated the general depression. No one knew what was going to happen, and most people feared the worst. It is not possible to say more than to generalize thus as to the state of affairs which existed in the early Spring of 1926, or to recount the long series of events which culminated in the coup d'état of May, 1926. Many influences combined to bring it about, but it is probable that, as indicated, the main cause was political.

In the background of this political cockpit stood the figure of General Josef Pil-
sudski, and with him were grouped some of the strongest and ablest men in Poland, unable to come to the rescue of their country and bitterly discontented over the apparent shattering of their dreams of the future for the new Poland. General Pil-
sudski was a national hero—a Polish patriot, a successful soldier, a man of acknowledged honesty in all private and public affairs, of determined character and

essentially a man of action. While others lamented he made his plans. So well were they laid and in such secrecy, that up to the hour when he appeared with his army across the river from Warsaw prominent members of the Government were unaware of his intentions. In fact the social life of the city was in full swing when the Pilsudski army arrived in sight of the bridge-heads commanding the approach.

PILSUDSKI'S COUP D'ETAT

The story of the coup d'état is recent history. It was accomplished without a serious number of casualties, considering the circumstances, and without the destruction of property. It was successful in that, within a few hours after his entry into the city, the principal members of the Government had fled and General Pilsudski was in full control. He retained this control only long enough to put a new Government into power and to secure from Parliament certain important and arbitrary powers for this Government. He then retired again into the background politically, but not so far as to obstruct his vision of the activities of the men he was instrumental in putting into office. The military phase of the Government lasted only a few days, for with the inauguration of the new Government, civil procedure was resumed in all respects.

The critics of General Pilsudski, and there are many, declare that he was able to seize control of Polish affairs merely because of his influence with the army and not because of any constructive ideas that he had set forth. They assert that he arrived at the helm with no plan of operation for the future and with no knowledge as to the proper navigation of a ship of state. This is probably true, but the impression derived from conversations with him and the men he has put into office is that General Pilsudski himself is aware of these facts and makes no pretensions to the contrary. The motive behind the military move of May was unquestionably exasperation at the futility of the Government which was nominally in power at that time. The coup d'état was not conceived for personal gain or aggrandizement. It was not inspired by any particular set of ideas. It

was, in fact, merely the effective gesture of a man who had the power, making a protest against what he considered to be the sacrifice of the best interests of his country to futile discussions.

Once in control, he indulged in no polemics and made no pronunciamientos as to what should be done. As constructed through his influence the Government of Poland presented few points for criticism. The outstanding figures of the Administration were M. Moscichi, President for a seven-year term; M. Bartel, Prime Minister and M. Zaleska, Minister of Foreign Affairs. General Pilsudski assumed the position of Inspector General of the Army with supreme command in time of war. These are men of exceptional ability in their particular spheres—men who have a profound knowledge of Polish history, thought and psychology and who are animated equally by a determination to bring some sort of progressive order into the confusion of Polish affairs.

General Pilsudski brought sufficient pressure upon Parliament to secure for the Executive Government the right to dissolve Parliament when deemed necessary and to govern by decree; and arranged that these powers should not be modified for some time to come, thus giving a period for a definite policy to be evolved and put into effect. That General Pilsudski did not desire to pose as an absolute dictator is shown by the fact that Parliament refused to give him unconditionally all he asked for, and, recognizing the wisdom of avoiding unnecessary strife, he accepted certain important concessions and did not press for more.

One of the first steps taken under the power to govern by decree was to change the charter of the Bank of Poland along lines recommended by Professor Kemmerer, the American economic expert, to admit of an enlargement of capital and greater elasticity of currency issue in time of need. Much needed changes in the law code, reforms in the banking laws and suggestions for changes in the electoral system were taken under consideration.

In September, when the new Government submitted its estimates to Parliament, a conflict arose. The budget figures of the

Government were rejected and the Prime Minister, M. Bartel, and the Cabinet resigned. General Pilsudski was absent from Warsaw at the time, taking a cure at one of the Polish spas, and the principal officials of the Government went there to consult him. In brief, the outcome of the dispute was the assumption of the office of Prime Minister by General Pilsudski himself, with M. Bartel as his Vice Minister and the retention of the former Cabinet with two or three minor exceptions.

Under the authority granted the Executive, the President had the power to dissolve Parliament. This crisis was averted by an adjournment and the Government was left to carry on by decree as had been provided. This action by General Pilsudski is in line with the policy which led him to the coup d'état of May. He is determined that Poland shall carry on and nothing will deter him, barring a general revolution which would result in his downfall, or his assassination by agents of the Communists, who hold him in fear and hatred. In effect the situation remains as it has been since May. General Pilsudski, supported by the progressive conservative element, is firmly in control and there are no indications of any immediate fundamental change.

The future political history of Poland may be one of more or less turmoil and bitter discussion, but there is now a driving force behind the Executive Government which insures movement in place of stagnation. This force is arrayed on the side of peace and progress, good relations with neighboring countries and stability in all things of importance. Under such influences the foreign credit of Poland should improve rapidly. The coup d'état apparently justified a feeling of insecurity in the minds of foreigners, but the true inference is just the reverse; it was a short cut to stability, apparently made necessary by the *cul-de-sac* into which Polish affairs had drifted. To the more Western mind, a military coup d'état comes as a shock and its possible after-effects are regarded with deep suspicion. This might be justified in some countries, but while it is naturally not the ideal or the more advanced method of securing political power and has its inevitable reactions, it does not have the

same significance as such an event would possess in the United States, England, France or Germany. The post-war problems of government have been too great and too serious to respond to the treatment of any but the best organized nations and the strongest and most deeply planted Parliamentary systems. In no country in Europe have these problems been more vexing than they have been and still remain in Poland.

RACIAL MINORITIES PROBLEM

There are certain peculiar circumstances attendant upon all reconstruction work in Poland which are not to be found in other countries. In a sense this country does not have a free hand in many of its most important affairs, owing to the fact that the original organization of the country was arranged from without rather than from within. The boundaries of Poland are a result of compromises, plebiscites, armed invasions and counter-attacks and are not entirely natural from a political or an economic point of view. Within these boundaries live large minorities of races other than Poles, speaking different languages, holding to different religions, and in other respects antagonistic to a purely Polish administration. In time these foreign elements may be successfully incorporated within the national life of Poland, but such a process is retarded and made more difficult by the fact that the sponsors for Poland decreed that these minorities should be allowed to preserve their own cultures, languages and religions and to possess a certain degree of autonomy in affairs of government. The welding of the vast foreign elements into the national life of America has been made possible only by the legalized and actual dominance of American culture, language and educational influence over all communities alike. Even so, lines of cleavage are sometimes maintained through the persistence of a given culture, but in the second and third generation these disappear and the product becomes Americanized. If all the foreign elements in the United States had been given by treaty or by law institutions perpetuating the original affiliations, it is easily conceivable that a house divided

against itself would have been the result.

The census of 1921 gave Poland a population of over 27,000,000, and according to these census figures 69.2 per cent. of the people were Poles and 30.8 per cent. were included in the minorities. The representatives of the combined minorities assert that these figures are incorrect and that the truly Polish element is only 56 per cent. The truth probably lies between these two estimates. Whatever the exact figures may be, it is apparent that the minority element in the Polish population is a serious problem in the building up of the State along purely nationalistic lines, especially as three languages are officially recognized and Polish is not compulsory in many large sections of the country.

In the past, Poland has been very kind to the Jews, and they have come in great numbers as exiles from other lands. They total now over 2,000,000, and with the usual energy and persistence of the race they are the first to take advantage of educational and other opportunities offered by the Polish Government. They have done this to such an extent in some directions as to force the State to put a maximum limit upon the percentage of Jews who can enter the State institutions, so as to give the native Poles a chance, for the resources of the Government Treasury are limited. A certain amount of anti-Jewish sentiment aroused by these circumstances has given rise to friction and to difficulties in the administration of public affairs. This problem, which has many ramifications, can be referred to only briefly here, but owing to the distinctive life led by the Jewish communities in the cities, where most of them are to be found, it is not the least of the national perplexities. The other minorities, Germans, Ukrainians, Russians, Lithuanians and others, are all separated by political boundaries from others of their race and even from members of their families in neighboring countries, and the international relations of Poland are thus complicated. This is in evidence particularly in the case of the German minority, for there would be little difficulty in arranging a commercial treaty between Poland and Germany if the interests of expatriated nationals were not involved. Both

countries desire to include some provision for them in any treaty made, hence the unsuccessful attempt so far to arrive at a satisfactory convention.

POLAND'S FOREIGN RELATIONS

Treaty relations have yet to be established with all of Poland's neighbors, with the exception of Rumania and Czechoslovakia. While the Great Powers were considering the matter of the northern border of Poland in 1919, General Pilsudski settled the question by taking possession of Vilna and the surrounding country. This has resulted in what has been to all intents and purposes a state of war without actual hostilities between Poland and Lithuania—a situation that still continues. The present newly elected Government of Lithuania, however, is more agreeable to making a treaty with Poland than was its predecessor, and it is apparently only a matter of time before the two countries will assume normal relations.

Relations with Soviet Russia are good, although defined by no convention. The usual commercial treaty is not considered by Poland as of any effective value so long as the Soviet Government conducts the foreign trade of that country as a Government enterprise. Negotiations with Germany are in progress, and there has been recently a decided softening in the German attitude which will in time undoubtedly result in the conventional regulation of the much needed traffic between the two countries. Until the present time Germany has lost more than Poland through a lack of cordial commercial relations, for the coal strike in England developed a market at an opportune moment for the Polish coal formerly purchased by Germany.

The foreign relations of Poland are of more than passing interest and concern to other nations, for if they are good, the general peace and security of Europe are practically assured. If Poland should engage in a war, either of an offensive or a defensive character, other countries in Europe would of necessity become involved, and when the disturbance would end, or how it would end, no one familiar with the

deep flowing currents of international politics today would dare predict. It is to the moral, political and material interests of the whole world that Poland should be sufficiently successful in the carrying out of her plans for reconstruction to prevent disturbances from within and to maintain her position in the international councils. The country will never abate its claim to a permanent seat on the Council of the League of Nations, but in a spirit of accommodation the Polish Government has accepted for the time being the occupancy of a continuously elective seat as a partial recognition, at least, of the important position of that country in the European concert. On the eastern boundary of Western Europe a united and prosperous Poland presents a stalwart front toward the advance of communism. Divided and weak, her territory would become the western boundary of Eastern Europe under the influence of subversive doctrines.

To create a stable financial system, to develop industry, to increase educational facilities and generally to raise the standard of living for a people who had been stripped to the bare bones of their existence, has been the task of the Government of Poland during the past few years. Foreign capital has been desirous of entering the Polish field of investment and development and has from time to time made a half-hearted expedition into this promising field, but there was always a hesitancy caused not by lack of faith in the opportunity presented, but in the stability of Polish affairs. The best comment that can be made as to the real meaning of the coup d'état of May, 1926, is that immediately following its successful outcome foreign capital began to flow freely and confidently into the country, seeking a share of the wealth that was to be had from the development of Polish resources and industry under a stable Government.

FINANCIAL NEEDS

The people do not want nor does the country require a large foreign loan to the Government at this time, with its subsequent annual drain for service charges. To increase the capital of the Bank of Poland

and to quicken the industrial situation through private investment is all that is now desirable. With such modest aid the Polish people will be able to take care of themselves and to work out their own destiny.

There is no country toward which the Poles turn with greater confidence and expectation than America. Over 1,000,000 Poles live in the United States. The quota going to the United States each year under the present American immigration law is bespoken long in advance, and prosperous emigrants send home to their relations a continuous stream of money. It is from America that Poland asks disinterested advice, and the people can see no reason why Americans, out of their abundance, should not afford the comparatively modest financial assistance of which their Government stands in need.

Poland can have the money wanted if her people will accept a loan made under the auspices of the League of Nations. European bankers stand prepared to make such advances, but political complications are feared in the international character of the control which would result. A purely Anglo-American advisory control would meet with favor.

To judge the affairs of Poland intelligently needs sympathy and understanding and a full realization of the importance to the whole world of a successful outcome of the heroic struggle which is being made by the Polish people under serious handicaps and in the face of constantly recurring and almost insoluble difficulties. Fortune has favored the nation in this year of 1926, for the Government's political and financial position has been stabilized, the budget will be nearly balanced, foreign trade shows a favorable surplus of exports over imports, the crops are above normal and the general tone of the business community has become lively and optimistic as compared with the general depression which prevailed a year ago. Poland has now gained new strength and vigor and, barring untoward complications, should travel far on a road which, though beset with difficulties, leads to a land of promise.

London, England.

Psychology as a Practical Science in Modern Life

By DAVID WECHSLER

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ABOUT fifty years ago a young physiologist at the University of Leipzig obtained permission from its rector to give what he called a new course in psychology. This course differed from any previous course ever given in this subject in that the students were required to devote a portion of their time to experiments in the laboratory. The name of the young instructor, Wilhelm Wundt, and the year in which he began teaching psychology in this new way, become landmarks in the history of psychology. They mark the beginning of an era which has changed psychology from a speculative to an experimental science. The little room in an out-of-the-way corner of the university with which Wundt began has since expanded into a large building, and instead of the handful of students which he had there are now hundreds taking psychology courses.

The story of the remarkable development of psychology at the University of Leipzig is paralleled at almost every large university in the Western World, and especially in the United States. But even more remarkable than the growth of psychological instruction and research within university walls has been the increase of popular interest in the subject and the extent to which the results of psychological research have found their way into the practical activities of everyday life. Hardly a day passes but some account will be found in the press about its applications. One day it may be about the importance of psychology in advertising, another day of how psychological tests are being used to eliminate the unsafe automobile driver, a third about the rôle of

the psychologist in solving the problem of juvenile delinquency, and so on.

What are the new methods of discoveries that are responsible for the rapid development of psychology in the last fifty years? The first is the introduction of the experimental method in the study of human behavior. Before the time of Wundt this method, which consists of painstaking and accurate observation of facts under controlled conditions, was not much used in psychology. Psychology was treated as a branch of philosophy rather than as one of the natural sciences, as it is now classed. Philosophy is a subject worth while in itself, but it hardly occupies itself with concrete facts or practical knowledge; that is not its business. Philosophy is interested in ultimate questions, not in details; in theories rather than in facts. In science theories are also important, but are of doubtful value until you have the facts upon which to build.

An example will make clear the new and old ways of solving problems in psychology. Suppose that you are interested in answering the question, "What constitutes an emotion?" One way to answer it would be to sit back in your chair and try to recall from your own experience how you have acted and felt on such and such occasions, then think hard on the subject until you have reached what seems to be a logical answer. A second way would be not to pay any attention to your own preconceived ideas on the subject, but instead go out and observe how different people actually behave when under emotion. You might then observe that under certain emotions, for instance, fear or anger, a person's breathing seems to be altered, that

his blood pressure changes, that the pupils of his eyes dilate or contract, and so on. Having made these observations, you would then try to discover whether all people act that way under similar conditions, and to measure with precise instruments the degree to which the blood pressure increases or decreases, or the pupils dilate or contract, and so forth. Attacking the problem in the former way represents the method of the philosopher, in the latter way the method of the experimenter.

Naturally, experimental psychology began with the analysis of the simplest mental processes and facts of behavior. But it is remarkable how much significant information the precise and controlled observation of even the simple phenomena has yielded. Among the first studies made were those on reaction time, that is, the time it takes a person to recognize and respond to a simple stimulus, like the flash of a light or the sound of a bell. It was soon found that not only do people react with different speeds to the different kinds of stimuli, but that individuals differ enormously as regards the speed with which they react to the same stimulus. The average reaction time to light is about .18 of a second, to sound .15 of a second, to touch .21 of a second. People differ greatly as regards the speed with which they react under different conditions, and, although these differences are measured only in hundredths or even thousandths of a second, they may be of considerable practical importance.

Here are some illustrations: If an automobile travels at the rate of thirty miles an hour, it takes the average driver about three-fifths of a second to stop his car at a distance of forty feet. Suppose it takes another driver only five one-hundredths of a second longer to see the signal. Going at the same rate, the second driver will go three feet further before he brings his car to a stop, a difference which is more than enough to account for a smash-up or serious accident.

The importance of the quickness with which persons react is even more obvious in the case of the airplane driver. Here the difference of several thousandths of a second which the pilot may take in getting

control of the machine may decide as between a crash and a safe landing. Early during the World War it was found that men with slow reaction times met with accidents very much more frequently than those with fast ones, and very soon thereafter the Air Service made every aviation candidate pass a test which would measure his speed of reaction.

You may have observed on all railroads only the following three colors are used as signals: red, green and yellow. The reason for this is that they are the three colors most quickly recognized or most easily distinguished. Colors are not equally bright and luminous, and certain combinations are particularly poor. The invisibility of many automobile plates is due to the fact that in selecting them no attention was paid to the psychological principles of color contrast. Or, again, take the matter of color-blindness. Psychological investigations have shown that about one man in every twenty and one woman in a hundred cannot distinguish between red and green. In view of the universality with which these colors are used as stop and go signals, a considerable number of accidents must be due to people who have this defect; and it would seem desirable to deny driving licenses to people so affected, especially in view of the fact that the defect is not curable.

The above illustrations show how much practical knowledge can result from the precise study of even the simplest facts of human behavior. Psychologists have not stopped here, but have applied the experimental method to more complicated reactions and the higher mental processes.

INTELLIGENCE TESTS

Concrete illustrations of what experimental psychology has accomplished could be taken from any of these fields, but the reader will perhaps be most interested in the facts about intelligence, because so much has been written recently about intelligence tests and their use. To begin with, it is important to understand what the psychologist means by intelligence. Many different definitions are possible and have in fact been given, but there are some points upon which all psychologists agree.

In general, by intelligence the psychologist means the ability to adapt one's self to a new situation and handle it successfully. In children this ability can best be estimated by how quickly or how well they learn; in adults, by how well they profit from past experience and how successfully they can apply their knowledge to new problems. The practical question is how can one best estimate or measure intelligence in any particular case. For a long while there was a great deal of theoretical discussion about this problem, but about twenty-five years ago the great French psychologist, Alfred Binet, succeeded in showing how this could be done in a practical way.

Binet's central idea was that the best way of getting an estimate of an individual's intelligence is to find out what he can do and then compare his ability with that of other people, along the same lines. Naturally, there first had to be some standards of comparison, and Binet hit upon the brilliant idea of using as the standard the average performance of the average individual. The next problem was to choose the right kind of tasks with which to measure a person's abilities, because it was a question whether one did equally well along all lines. Again Binet did not try to answer the question with theoretical arguments, but set himself to solving the problem by getting together a large number of mental tasks requiring different abilities, such as memory, comprehension, reasoning ability, and so forth, and actually trying them out. He began by giving these mental tasks, or tests, to a great many children of different ages. He then discovered that at different ages children were able to do about so much and no more, or again that they could do certain tests with comparative ease and others not at all. For instance, at the age of 3 the average child can repeat three digits, at the age of 4 four digits, at 7 five digits, and so on; but it is only at the age of 7 that he can repeat three digits backward, and not before 12 that he can repeat five backward.

In this way Binet found what the average child could be expected to do at different ages, and to facilitate comparisons

devised a method of scoring the test in terms of months and years. The child's total score was designated as his *mental age*, and the tests were so arranged that the average child made a mental age score just equal to his actual or chronological age. Any child that made such a score was said to be a child of average intelligence; if a child's mental age score was markedly above his actual age he was considered as having superior intelligence, if noticeably below, as having inferior or low intelligence.

Working on the same principles, other psychologists attempted to extend the Binet Intelligence Scale to include tests for adults, and then made a most remarkable discovery. They found that the average adult made no better score than the average boy or girl of fifteen or sixteen. From this they concluded that intellectual growth tends to stop at about that age; or, as the psychologists put it, the mental age of the average person is about fifteen or sixteen years. The view that the native intelligence of the average person stops growing around the age of fifteen or sixteen is against the common sense popular idea, and therefore hard to believe. Most men and women accomplish the big things of life when much older, but that is because in order to accomplish things one must have not only intelligence, but knowledge and experience, which come only with years. Intelligence tests, however, are not intended to measure a man's knowledge and experience, but his ability to acquire knowledge and to profit by experience when the occasion arises. It is these abilities which, the psychologist says, stop developing at about the age of sixteen.

It is easier to accept this view if one compares the assertion with the facts of physical growth. Most people stop growing between the ages of sixteen and twenty-one. Suppose the average age for males were eighteen. Then one could say that the average height of a man of forty was no greater than that of a boy of eighteen. Nobody would feel offended at that or find it hard to accept. It is in the same sense that one must understand the psychologist when he says that the mental age of the average man is about sixteen years. It

represents the age at which the average man stops growing potentially along mental lines.

In the last ten years psychologists have done much to improve upon the Binet examination and to develop new intelligence tests. During the war American psychologists developed intelligence tests which were used in picking out officer material and eliminating those mentally unfit for service. Over 1,800,000 men were examined by these tests. Similar tests are now being used in schools for classifying and grading pupils. With certain slight modifications, they have been made available for business and industry, and many firms are now using them in the selection of their help.

Psychologists have not only attempted to measure intelligence, but also other aptitudes and abilities. There are now tests available for mechanical ability, musical talent, typewriting, clerical ability and so forth. The writer himself has devised tests which select the safe from the unsafe automobile driver. Business and industry are beginning to appreciate that the man behind the machine is often more important than the machine itself, and accordingly are turning to psychologists to help them in the selection of the right man for the right job. Only recently the personnel manager of one of the largest truck manufacturing companies in the United States consulted a well-known psychological corporation about adding a full-time psychologist to his organization's staff. Their plan is to have an expert devote his time to development of specialized tests and personnel research, just as they now have engineers devoting their time exclusively to mechanical research.

BEHAVIORISM

The great progress which psychology has made since its adoption of the experimental method has led a certain group of psychologists to believe that it is the only method which can be depended upon to advance our knowledge in this field. Some have gone even further and insisted that psychology must model itself after its sister science, physiology, and try to describe all behavior in terms of muscular re-

sponses to physical stimuli. It is useless, they say, to occupy one's self with a person's thoughts or with what he says he feels, because these cannot be objectively observed or described. They would throw out altogether the process of inner observation, or introspection, as a method of investigation. The group of psychologists which holds this view is known as "Behaviorists" and the system of psychology which they have tried to develop as "Behaviorism."

The best way to understand behaviorism is through concrete examples. Suppose you prick a man's hand. The chances are that he will at once pull the hand away. If the prick has been sufficiently severe, he may also frown and utter a cry. The behaviorist says that these reactions are all that you need to be concerned about. You do not have to ask the person whether he has felt the pain. The fact that he withdrew his hand, uttered a cry, and so forth, is sufficient proof of it, and that is all you really can know with certainty. Similarly, if you observe a man trembling from head to foot, with eyes wide open and perspiration gathered on his forehead, you know at once that he is in fear of somebody or something. So far as the behaviorist is concerned these bodily attitudes and changes are the only ones that one need to consider in describing the state called fear. Or, finally, to take a more complex illustration: Suppose you come upon a crowd gathered about two automobiles. Two chauffeurs are shouting at each other, and a policeman is writing something down. You conclude that there has been a collision. In doing so you have followed the behavioristic method of drawing an inference.

In all these instances the reader will observe that it is to what the subject does or to the bodily changes which can actually be observed that the behaviorist pays attention. He does not bother with what supposedly goes on in the person's mind; in fact, to the extreme behaviorist consciousness is a figment, or, at best, something so illusory that any attempt to describe it is bound to prove valueless.

But how about those cases where no bodily reactions can be observed? How

would the behaviorist explain thinking? That is one of the questions with which psychologists have tried to disconcert him. But the behaviorist has a ready answer. Thinking is but subvocal speech, that is, it consists of certain muscular movements of the throat and chest which are not accompanied by the production of sounds. This answer is not so far-fetched as it may at first appear. Every reader will probably recall some acquaintance who has the habit of moving his lips or talking to himself when engrossed in a problem, or has perhaps even caught himself "thinking aloud," on similar occasions. Dr. Watson, who is the leading exponent of behaviorism in this country, says that we are all constantly doing something of the sort when thinking, only the muscular movements are so slight that they are not generally observed. Also, some of the muscular movements take place inside our body, like those of the larynx and diaphragm, and these cannot be easily observed without special instruments. If we had means of entirely preventing these movements from occurring, says Dr. Watson, we would find ourselves unable to think. Such a test would be impossible to carry out, because it would mean paralyzing all the muscles of our throat and chest; but the following little experiment will illustrate Watson's view.

Think of something that you want to do and try to give yourself the reason for it. As you do so, start counting to yourself from one to a hundred just as fast as you can. Under these conditions you will find it hard to think; also from time to time you will find that you have momentarily stopped counting. In fact, as you go back you will discover that most of your thinking was done in between saying the numbers. This would indicate that counting impeded your thinking. The behaviorist's reason would be that in counting you engaged the muscles of the throat and thus prevented the muscular movements which were necessary to the thinking process.

The behaviorists' attempt to discard inner observation and consciousness from psychology has not met with much success, but their insistence upon objective observation has proved very fruitful, par-

ticularly in the field of animal psychology. During the nineteenth century both psychologists and biologists in describing animal behavior tended to read a great deal of meaning into what they saw. This accounts for many of the romantic tales current about the humanlike behavior of certain animals, especially the bees and ants. Careful observation, however, since has shown that much that was ascribed to animal intelligence and foresight could be readily explained in terms of simple physiological reactions. On the other hand, the behaviorists have also shown that much of human behavior differs but little from that displayed by the high animals, and can be studied in an equally objective manner. This is particularly true as regards our instincts, and it is in this field that behaviorism has made its greatest contribution.

ABNORMAL PSYCHOLOGY

Omitting the work done on animals, the contributions of experimental psychology and behaviorism have been almost exclusively in the field of normal psychology, that is, the behavior and mental processes of normal persons. They have been concerned chiefly with the problem of how, or ~~why~~, well, normal people will react under different circumstances. The investigation of the behavior of abnormal people has been generally left to the doctor of mental diseases or psychiatrist.

The mentally abnormal differs from the mentally normal person not so much as regards the character of his abilities or capacities, but as regards the effectiveness and appropriateness with which he uses them. The problem which confronts the psychiatrist is not so much the "how" as the "why" of the sick man's behavior. For example, a patient has developed the idea that somebody is trying to do away with him. Everybody he meets is a potential enemy; he suspects his friends and accuses his nearest relatives. On the street he is on the lookout for people with concealed weapons, at home he examines his plate to be sure that no poison has been put into it, and so on. Examine this man mentally and you find that his intelligence, his memory and reasoning ability, except for his single blind spot, is as good as the

average man's, or even better. Yet he is unable to see the obvious absurdity of his suspicious actions. Or, take the case of a person with an abnormal fear of open spaces—a fear that goes under the scientific name of agoraphobia. Such a person appears normal in all respects except that when he comes to an open space like a wide street he finds it impossible to go on. His legs become paralyzed. Yet, as soon as he is removed from the place he walks perfectly well.

Until about a hundred years ago such abnormal behavior, and especially what we now term the insanities, was explained by saying that the people suffering from them were possessed. They were accordingly either punished or shunned. But with the growth of scientific medicine the absurdity of this view became apparent, and during the nineteenth century physicians began to study mental diseases, just like any other illness, by attempting first to describe the symptoms accurately and then trying to get some insight into the causes.

The first result of this method of approach was to create a humane attitude toward people suffering with mental disturbances. The insane were no longer thrown indiscriminately into filthy prison asylums, but placed in clean, well-managed institutions in charge of physicians, where attempts were made to study patients individually. From these studies it was soon discovered that for the most part the behavior of the insane and other mental abnormals consisted of exaggerated types of reactions, differing from that found in normals in degree rather than in kind. Psychiatrists thus succeeded in describing in detail the various symptoms observed and in classifying and separating the various types of mental afflictions from one another. But except in the case of mental afflictions due to organic causes, like paresis or alcoholic insanity, very little was discovered as regards the psychologic causes or mechanisms of the symptoms, and even less as to how they could be knowingly removed. In most cases the treatment consisted of rest and removal from immediate surroundings. People were either sent to asylums or sanatoria,

For the milder forms of mental troubles, like the neuroses, various forms of suggestive therapy or persuasion were tried. In the case of hysteria, hypnotism was very popular during the last quarter of the last century. All these yielded something, but there was little certainty about the cures and really no comprehensive understanding of how they had been effected. This remained the case until about thirty years ago, when a Viennese neurologist by the name of Sigmund Freud began publishing a series of articles in which he described a new way of looking at or interpreting mental symptoms and of treating nervous troubles. This new method of approach to the understanding and treating of mental symptoms has become known as psychoanalysis.

PSYCHOANALYSIS

Psychoanalysis, in the course of its development, has come to mean two things. First, it is a system of psychology, and second, it is a method of treating mental symptoms. As a system of psychology, the central idea of psychoanalysis is that much of our behavior is the result of unconscious motives, that is, desires and wishes of which we are not aware. When for some reason these unconscious wishes, many of which go back to our earliest childhood, cannot find satisfactory expression or are markedly incompatible with each other, they give rise to what are known as mental conflicts. Such conflicts are painful to us, and in order to avoid facing them we try to put the conflicting wishes altogether out of our minds, or suppress them. But we are not always successful; repressed wishes tend to come to the surface, often in disguised form, causing us to act in peculiar ways and often giving rise to various mental symptoms, like fears, anxieties, and so on. In the case of hysteria, these symptoms may take the form of physical incapacities, such as the loss of sensation, inability to walk and a great many others which may resemble conditions met with in true organic diseases. These symptoms, according to the psychoanalyst, represent unsuccessful solutions of unconscious conflicts. Psycho-

analysis attempts to discover and make clear to the patient what they are.

Professor Freud arrived at his views regarding the cause of mental symptoms not from the study of insane people, but of those milder mental disorders known as the neuroses and hysteria. In the course of his treatment of these patients he was impressed by the fact that in talking about themselves they frequently related their dreams. Examining these dreams in some detail, he soon discovered that in almost every case the dream threw some light either upon the symptom of which the patient complained or the cause of his trouble. This led him to make a careful study of the entire subject of dreams, and after analyzing many hundreds of them, Freud reached the conclusion that every dream can be looked upon as a symbolic expression of a suppressed wish. Before the work of Freud, most psychologists did not believe that dreams had any meaning at all. This view, says Freud, was natural, because they were always considering the remembered story, or, as he names it, the manifest content of the dream. Taken at their face value, most dreams do seem to be a bizarre jumble of unrelated thoughts and memories. But, says Freud, the meaning is not to be found in this obvious content, but in the thoughts which it symbolically represents, that is, the hidden or latent content. Interpretation of dreams consists of finding out what their hidden content is. According to Freud, this content will almost invariably be found to concern itself with some repressed wish or wishes.

It is reasonable to ask why the wishes are suppressed at all, and the answer is that they have to do with desires which often do not meet with social approval or which we ourselves are loath to admit during the waking state. They are concerned with such desires and thoughts as we are likely to want put out of our minds because they are incompatible with our ideals or with what is socially permissible. As we grow older, society puts more and more restraints upon certain types of conduct, with which as individuals we have to comply. Among these restraints those pertaining to sex are, as every one knows, the most exacting. From earliest childhood

we are taught that not only certain acts or desires but even thoughts about them are immoral. But that does not prevent us from thinking about them, only we do not always do it knowingly. The thoughts are repressed into our unconscious mind. For this reason it might be expected that the wishes in dreams would often centre about suppressed sex desires. Freud goes further. He says that this is so in almost every case. But he uses the term sex not in the restricted sense, but includes under it the whole of our love life.

The above is a simplified summary of Freud's theory of dreams, in which I have left out all explanation of how he goes about interpreting the dream—that is, getting at the suppressed wishes. Most of the objections to Freud's theory are directed against his method of interpretation and the new psychological notions which he has introduced for this purpose. There is also very strong opposition, perhaps the strongest of all, to his views as regards the rôle played by sex, which his opponents say he has overemphasized. His answer to this is that the facts bear him out.

As psychoanalysis is still a young science, we may expect that with time some of its views will have to be modified; but much of the opposition to it has come from armchair critics who have had no experience in testing out the theories, or by those who do not understand it. With increasing years, however, psychoanalysis has found more and more acceptance, especially by those who have had experience with it. From the results obtained it appears that psychoanalysis is the only method of approach which has thus far made possible anything like an intelligible comprehension of many of the mechanisms of abnormal behavior.

Experimental psychology, behaviorism and psychoanalysis are thus the outstanding movements of contemporary psychology; but the progress of modern psychology is not limited by any single mode of approach. All are attempts to gain better insight into human behavior, and each has made its special contribution. The progress of psychology as a whole, as in the case of the other sciences, has been reflected in our everyday life by its practical applications.

First Congress for a United States of Europe

By HARRY D. GIDEONSE

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THE publication on Oct. 19, 1926, of the important tariff "manifesto" signed by eminent representatives of banking and commerce in fifteen countries of Europe (also by representatives of the United States), gives special interest to the first Pan-European Congress held in Vienna Oct. 3-5. This manifesto, which aroused sensational interest on both sides of the Atlantic, has been generally considered as at least symptomatic of the extent to which Pan-European sentiment has spread throughout Europe in recent years. This appeal for lowered tariff barriers, deplored commerce restrictions and denouncing "the economic folly which treats all trading as a form of war" is quite in line (though no direct connection is here predicated) with the official program of the Pan-European Union, the organization created by Count Richard Coudenhove-Kalergi of Vienna; in line also with the resolutions passed at the Pan-European Congress in Vienna.

In the holding of that Congress Count Coudenhove-Kalergi scored what is generally acknowledged as one of the most unusual personal successes in recent European history. There could hardly be a better illustration of what Kalergi's organization—the Pan-European Union—stands for than the fact that the participants in its congress traveled to Vienna without the necessity of a visa on their passports, a practical illustration made possible through the cooperation of the Austrian Government, of the goal of the organization's political and economic activity.

When Coudenhove-Kalergi wrote his book *Pan-Europa* in 1923, at the age of 29, his first appeal in the press for adherents to the Pan-European Union which

he created was answered by sixty persons. The central headquarters in Vienna has now over 20,000 regularly enrolled members and it has succeeded in organizing a congress at which every European country was represented by large delegations, several of them official and semi-official.

The congress was made possible through the intense organizing work of Count Coudenhove-Kalergi, who during the past year has succeeded in establishing national committees in most European countries. These committees included such men as Benès, Caillaux, Ex-Chancellor Wirth, President Loebe of the German Reichstag, Politis of Greece, General Castelnau, Lucien Romier, editor of the Paris *Figaro*; Herriot, Destrée, and many others from the smaller countries. Several of these attended the congress personally and others sent telegrams. Briand and Vandervelde were officially represented through the French and Belgian Ambassadors. The success of the conciliatory policy between France and Germany, the agreements at Thoiry following upon Locarno and the recent economic agreements, all helped to throw an especially favorable light upon a movement which had begun in the darkest days of the occupation of the Ruhr.

There was something mystical about the opening session. When the 2,000 delegates had gradually filled the great concert hall of Vienna the lights were gradually lowered and the hall shrouded in complete darkness. Then Professor Schutz of the Vienna Conservatory played Toreata F-Dur Fugue from Bach. Toward the end of his rendering special lights began to play on the organ, which took up the entire back of the stage and on which flags of the twenty-eight European countries were displayed. As the last notes rolled through



The States of Europe at the outbreak of war, 1914

the hall and before the audience had been able to show its appreciation a magnificent large banner with the symbols of the Pan-European Union, a red cross on a gold field, unrolled from the top of the organ, covering all the national flags, with spotlights playing on it from all sides. There was an almost religious ecstasy in the hall, shared by many of the elderly Ministers and Ambassadors who had seats on the stage.

After the Chairman had succeeded in establishing order an imposing row of national delegates, beginning with the present Chancellor of Austria, Dr. Seipel, conveyed the greetings of their respective national movements to the Congress. After this the real work of the Congress commenced in the committee meetings, which had divided their problems under the headings of economic, political and intellectual.

In the large political meeting Politis of Greece spoke on the "Relations Be-

tween the League of Nations and Pan-Europa." This is a subject of considerable interest, as a great many friends of the League fear that in some way the Pan-European movement might be harmful to the work in Geneva. Politis, himself one of the most active participants in the League's work, dispelled these fears by pointing out that the covenant of the League contained a specific recognition of regional understandings in its Article 21.

He was followed by a series of others, among whom were Schismanow of Bulgaria and Loebe and Wirth of Germany. Ex-Chancellor Wirth was perhaps the best speaker of the entire Congress. He was greeted with a great deal of enthusiasm, as every one recognized in him the German statesman who had launched the policy of cooperation with France when he went to meet Briand at the ill-fated conference of Cannes. His statement that his experience in the United States during the meetings of the Inter-Parliamentary Union



Europe in 1926

last year had proved to him that to America Europe is either a united whole or nothing at all seemed a summary of the economic and political considerations which underlie a great deal of the Pan-European movement.

The economic side of the question was covered by the well-known French economist De Laisi, who in his recent books had pointed out the futility of the numerous small markets in Europe and enthusiastically endorsed all activity leading toward a European Customs Union. Professor Julius Wolff of Berlin, who spoke after him, stressed particularly the possibilities of monetary and banking cooperation and seemed to expect more from activity along this line than from an extension of commercial treaties.

An interesting light was thrown on the deliberations by the contribution of the delegate of the American Pan-European Cooperation Committee, Mr. Frederick Allen, who pointed out that economic prog-

ress in Europe, as the result of a consolidation of markets and producers, could in reality only aid American trade because, in the first place, of its interest in the debt settlements and because, secondly, it is always well to have one's customers grow more prosperous. This contribution, as well as the fact that a quite numerous and friendly English delegation attended the Congress, tended to disprove the charge that the movement is anti-English, although it bases itself upon the principle that England, having so great an interest in the development of its empire, will not join a European federation.

This is, perhaps, the place to say something about the aims of Count Coudenhove's movement. Briefly, it declares that the cause of most of the present difficulties in Europe lies in its economic and political "Balkanization." Countries with five, ten or even fifty million population cannot effectively compete under modern conditions, including mass production, with those

having much larger markets or market complexes. The British Empire is one such complex, the United States another and the Union of Soviet Republics will soon be a third. In competition with these, Europe's markets, surrounded by many tariff walls, must in the end lose out.

The solution which the Pan-European Union advocates is the formation of a Union of all those Continental countries "which desire it and are able to do it" (*die es wollen und können*), first into a loose structure comparable to the Pan-American Union, gradually to grow into a closer form of primarily economic federation. The formula which expresses this best is the one which says that the final goal is "to make the border lines invisible." This would be accomplished through a series of commercial treaties, a permanent commercial treaty office, drafts of standard conventions which may at first serve as models and might ultimately lead to a single continental treaty, and so forth. All this is to take place—and this is continually stressed—within the structure of the League of Nations, although partly through a reorganization and partly through a further development of the existing machinery. It was repeatedly pointed out at the Congress that the League's activity in many fields is crippled by the diversity of conditions in the different countries in its membership. For instance, Continental European countries might have approximately similar conditions to be covered quite conveniently by a certain type of railroad or canal convention which, however, because of absolutely different conditions prevailing in, say China or Venezuela, cannot be realized, with the discouraging result that often very little of any particular importance is achieved.

The resolutions which were presented at the final meeting by the different committees as the result of their deliberations covered a long series of problems. Some of the most important ones had to do with intellectual cooperation and with a plan which is to be submitted to the League of Nations for the organization of European sections in the League's economic and transit work.

A proposal which Frank Vanderlip had

submitted to the Economic Committee of the Congress through Count Coudenhove suggesting the formation of a European gold reserve bank was discussed at great length and a resolution was passed requesting the leading central banks to call a conference to discuss this and some alternative proposals. Because of the many prominent personalities present at the Congress, the central organization of the Pan-European Union (whose headquarters are in the Hofburg, Vienna) believes that this conference will be called at an early date. Plans were also elaborated for a Pan-European Student Federation.

In its final resolution the Congress decided to turn all its future activity from now on into a campaign to have the Governments call a European conference to discuss officially the proposals of this Congress. A few of the Governments represented expressed their inclination to call this conference when the time is considered ripe for it by Coudenhove's organization.

No one in the present organization has illusions as to the great difficulties which are ahead, but that a great step forward has been made there can hardly be any doubt. In part this is due to the well organized publicity work covering the Congress. Almost every European paper of importance had special representatives in attendance and carried considerable material on the movement and its aims. One might say that the idea has now formally been born into Europe's political world as a factor to be considered. The final endorsement of the movement by the parties of the Left in France, Belgium and Germany is the first sign of this.

Coudenhove-Kalergi closed the final meeting with a reference to Goethe's refusal to participate in the anti-French wave in his day and his statement to the Prussian officers after the battle of Valmy that on that day "a new period in history" had started. And then, with a fine reference to those whom he described as anti-European, Coudenhove reminded his audience that Goethe had closed with the remark "You can at least say that you were present."

Geneva, Switzerland.

Labor's Movement for a Five-Day Week

By JOHN P. FREY

Editor International Molders' Journal; President Ohio State Federation of Labor

In the latter part of September a widely known manufacturer of automobiles announced his intention to establish a five-day work week for his employes. A few days later the convention of the American Federation of Labor, meeting in Detroit, Mich., declared that "for social reasons, as well as those of an economic character, the American Federation of Labor is justified in declaring for a shorter work week, as energetically as it did in the past for the establishment of the eight-hour day." There was, however, no connection between the policy announced by the American Federation of Labor in Detroit and the action taken by the automobile manufacturer, except that the manufacturer's new policy was based upon the social, economic and industrial program which the American Federation of Labor has advocated for many years—a progressive reduction in the period of labor. Unquestionably the action taken by the American Federation of Labor in declaring for a shorter work week will have far-reaching results. For one thing it will focus public attention upon a subject which goes much further than the hours of labor. What was done by the recent convention is not nearly so important as the reasons why the American Federation of Labor officially declared itself in favor of a shorter work week.

A century ago mechanics worked twelve or more hours a day, textile workers being less fortunate, for in the New England mills the hours were thirteen or fourteen a day, and this applied to women and children as well as men. Between 1835 and 1840 there was a general movement among the wage-earners along the Atlantic seaboard to establish a ten-hour day, this movement being materially assisted by President Martin Van Buren, who, in April, 1840, proclaimed a ten-hour day for the Navy Yard and other public establish-

ments in Washington, D. C. There was a gradual shortening of the hours of labor to ten in practically all industries, although as late as 1865 there remained a number of textile mills in New England operating under the thirteen-hour day. Immediately after the close of the Civil War the National Labor Union was organized, this being a forerunner of the American Federation of Labor. Its conventions declared in favor of an eight-hour day, but it was not until after the American Federation of Labor had been organized for a number of years that the eight-hour day was generally established. In fact, for several major industries the eight-hour day did not become a fact until after the World War.

Long before the eight-hour day arrived American leaders of labor had formulated a philosophy of the eight-hour day. They had become convinced that for social, economic and industrial reasons the eight-hour day would be advantageous to industry and commerce, as well as to the wage-earners. The convention of the American Federation of Labor in 1882 summed up the conclusions of labor's clearest thinkers upon the subject in the following declaration: "It will not disturb, jar, confuse, or throw out of order, the present wage system of labor. It is a measure that will permanently increase wages, without, at the same time, increasing the cost of production of wealth. It will decrease the poverty and increase the wealth of all wage laborers. And it will, after a few years, gradually merge the wage system into a system of industrial cooperation in which wages will represent the earnings, and not, as now, the necessities of the wage laborer." This declaration read in connection with the one made by the American Federation of Labor in Detroit in October, 1926, indicates that the policy of that organization in regard to the work period has been evolutionary instead of revolu-

tionary; that it has been based upon experience and the deliberate weighing of facts instead of depending upon theories or academic conclusions.

SATURDAY HALF HOLIDAY

The shorter work week has, as a matter of fact, already been established by a number of employers who have friendly relations with their organized employees. As early as 1908 the Saturday half holiday—the five-and-one-half-day week—had been established through collective bargaining in a number of instances. Immediately after the Armistice an additional number of employers established the five-and-one-half-day week, and within the last two or three years several trade unions have secured a five-day week for a large number of their members.

What have been the economic results, the effect on the volume of production, of these reductions in the hours of labor from fifteen and thirteen to eight hours per day, and from six to five and one-half, and in some instances five days per week? What will be the effect upon our industries as a whole if the five-day week should become universal? If the experiences of the past century, and particularly the past twenty-five years, are a safe guide, the answer is both definite and reassuring. When American workmen first advocated a ten-hour day many economists, as well as employers, were alarmed, for in any reduction in the hours of labor they saw a reduction in the volume of production. Reducing the hours of labor, it seemed to them, would reduce the volume of production, increase the price and injure the manufacturer, commerce, the workmen, and the public alike. But when the ten-hour day came it was found that production per workman increased instead of decreased. When the eight-hour day came the volume of production per workman increased still more, and where the five and one-half or five day week now exists the individual workman produces in much greater volume than his predecessor who labored twelve, thirteen and fourteen hours per day. It is probably true that the worker in our industries today works at higher speed and with greater intensity than twenty-five or

fifty years ago, but this does not account for the great increase in per capita production. There is another vital reason.

Nothing is more astonishing in the history of industry since the beginning of the twentieth century than the rapidly increasing volume of production per man per day. This has been so revolutionary in its results that a progressive shortening of the hours of labor is not sufficient to meet the new problems created. A question of wages, the real wage to be paid, also becomes a vital factor; but for the present we must confine ourselves to the subject of the relationship of shorter hours of labor to the volume of production. The tremendous increase in the capacity of our industrial establishments to produce has resulted largely from the practical application of scientific methods. A new element in industry began to manifest itself early in the twentieth century. The rule-of-thumb method was abandoned for one of accurate measurement. The mechanical, the chemical and the production engineers began to make a scientific study of industrial processes. Highly skilled technical engineers concentrated their energies on eliminating all unnecessary work and devising improved methods. Technical staffs supplanted the old-school foreman and superintendent in directing production.

LABOR-SAVING MACHINERY

There were rapid developments of machinery which, in some instances, were as revolutionary in their results as when the old-fashioned water wheel supplied the power which had formerly been created entirely through muscular effort. Machinery, such as that invented by Owens, entirely eliminated skilled and unskilled labor, for his bottle-making machine automatically drew the molten glass from the tank and deposited the finished bottle in a container. Printing presses were improved until they produced approximately 50,000 newspapers per hour. Waterfalls were harnessed and the energy applied to the machines. Our industries had entered a new age of machinery which so rapidly increased man's power to produce that the studies of our leading production engineers

were rendered valueless almost as soon as they had been made. It is only a few years ago that Frederick W. Taylor, the father of so-called scientific management, presented his well-known study on the handling of pig iron, which had resulted in the laborers handling larger quantities each day because of necessary rest periods which were installed and regulations which eliminated unnecessary effort on their part. Today seven laborers working with magnet lifters handle an amount of pig iron per day which formerly required the labor of 128 men.

The United States Bureau of Labor Statistics, which has recently begun to study per capita production in our industries, informs us that since 1914 the workmen in the automobile industry have increased their output 225 per cent. This is supplemented by the statement recently issued which indicates that General Motors, with 2,000 less employes in 1925, produced twice as many automobiles as in 1919. Depending upon the statistics published by the Department of Labor, we learn that since 1914 there has been an increase of 50 per cent. production per man in the steel industry, although during this period the eight-hour day has replaced the twelve-hour day, which previously existed for approximately one-third of its employes. From the same authoritative source we learn that the per capita production in the cement industry has increased 57.8 per cent. since 1914. In the flour milling industry the per capita increase in production has been 39 per cent. during the same period, while in the leather industry the increased productivity per workman has been 34 per cent. since 1921. Of particular interest at this time are the figures relating to coal production. Last year the production of coal per man in the American mines was a little over four and one-half tons per day. In England it was but one ton and a tenth per man per day, while in one of the Continental countries of Europe it was but nine-tenths of a ton per man per day. The statement is made by those in authority in the boot and shoe industry that if the factories, with their present equipment, without any further installation of new machinery and im-

proved methods of production, were to operate at full capacity for six months in the year they would produce more shoes than we can use or export, and that the same holds true of the garment industry and many others.

OVERPRODUCTIVITY THE PROBLEM

The outstanding fact is that never before have men produced in such great quantity as today; yet we seem to be at the beginning, to have just crossed the threshold of man's increasing power to produce. On every hand additional water power is being used to increase production. Man's inventive genius is continually constructing machinery which greatly increases the volume of manufactured articles. The mechanical, chemical and production engineer are but beginning to understand the almost unlimited field before them in which they are to increase the capacity of our industrial establishments to produce the articles which mankind desires. Although we are but entering into a new era of production, industry finds itself faced with the serious problem of finding a market for its products. The capacity of industry to produce has outstripped the ability of the people to consume. But here, again, we touch a problem which goes further than the question of the work period.

What has been the effect of these modern methods of production in so far as they have been carefully studied? For one thing they have placed a much greater strain in many instances upon the worker's vitality and nervous energy. The engineer driving the Century Limited at sixty miles an hour, every sense alert, becomes exhausted more rapidly than the engineer of previous years to whom thirty miles an hour was breath-taking speed. Who would willingly ride behind an engineer on the Century Limited if for eight hours he stayed in his cab, the safety of the passengers depending upon his alertness in picking up each signal that flashed into view? The illustrations are infinite. One more should be sufficient, the modern printing establishment: Its pressmen oversee the huge machines upon which the daily editions depend; its typesetters are operating typesetting machines. Contrast this with the printing plants of a few years ago when

the printing presses were simple, the type set by hand, the worker's creative faculties called upon to a much greater extent. Men and women who work in connection with modern high-speed processes which require their constant attention work under a physical strain with which their predecessors were unacquainted.

There is another condition of modern production that has to be considered—the attendance on automatic and semi-automatic machinery, where the same mechanical operation is performed hundreds of times each hour, each day, each week into the limitless future, numbing the mind and body, with nothing to stimulate the mind or the creative faculties. Under such conditions of labor the worker, because of the character of his work, becomes virtually a part of the machine. Therefore, just as much as the constant alertness called for by some modern methods of production, the repetitive and monotonous character of other work also calls for shorter hours of labor.

THE WORKMAN'S LEISURE

If modern methods of production, the rapidly increasing powers of man to produce, justify the policy of the American Federation of Labor to reduce the length of the work week, what of the results of the lengthened period of rest and recreation? What will be the effect upon the wage-earner of this increased time for leisure? Will it improve his character and his quality as a citizen or will the so-called increased idleness lead him into unwholesome habits? But let us also ask, Was the worker under the twelve-hour régime a bet-

ter citizen than he is today? Was his home a better place in which to live? Was he as well informed? Were his children as well educated? Did they make as much use of free public libraries? Did as many of them secure an education? Did they enjoy a higher culture? Could we improve the character of the mass of our people by compelling them to work so many hours per day that there was little, if any, time for leisure, for recreation and for self-improvement? Here again experience seems to give an assuring answer. We are familiar with Markham's *Man With the Hoe*. We have some knowledge of the conditions in those countries where the mass of the people continue to toil from sunrise to sunset. We are today deeply interested, because of international relations, in what is happening in other countries where the hours of labor are much longer and where modern methods of production are but beginning to enter. Leisure and laziness are not synonymous, neither are idleness and recreation.

The history of industry in this country has demonstrated that a progressive shortening of the work day has not limited production; instead, production has increased at an amazing pace. It has shown that the wage-earner, instead of being injured by additional hours of leisure and recreation, has become a better citizen. The delegates representing the trade-union movement of the United States and Canada, when they met in Detroit in October, were convinced by the light of experience that the shorter work week which they advocated was economically, industrially and socially safe, sound and necessary.



Eugene Victor Debs

By NORMAN THOMAS

Socialist and Labor Party Candidate for Governor of New York in 1924

IN a country which worships success, the widespread and intense grief at the death of "Gene" Debs is of itself a phenomenon to arouse attention. Who was this man whom millions mourn? He was no romantic moving picture actor or successful business man with an elaborate publicity service. He never held an important public office, he was the leader of no great trade union; the party with which he had been closely identified for almost a generation has fallen, temporarily at least, far below its former strength. Moreover, Debs had been twice a Federal prisoner, and died with his title to American citizenship still clouded. Yet this is the man whose funeral called forth from all sorts and conditions of men evidences of genuine grief and affection which have not been matched in the public mourning for those who have attained great position.

A history of the radical movement in the United States since the early '90s could be written around a biography of Gene Debs. Yet if that biography were simply a history of movements and external events it would not altogether explain the extraordinary affection in which this tall, lank man of the Middle West was held. It is not, however, unimportant to look briefly at the events which crowded Gene Debs's seventy-one years of active life.

He was born in Terre Haute, Ind., in 1855. His parents were Alsatian immigrants who had come to this country some six years previously. After experimenting in various cities they had definitely settled in Terre Haute, where the elder Debs became a grocer. Eugene was one of a large and very happy family. Something of its tone is indicated by the pet names, Dandy and Daisy, which were applied to the father and mother.

Of course the family was not rich. But neither was it, considering the time and place, very poor. Gene was given a good

common school education and was graduated with credit from what was called the Old Seminary School. Building on this foundation by wide reading and even wider contacts with men, Gene Debs became, in the best sense of the words, a man of education and culture.

Like most of his companions in that place and time, he went to work when about 15, first in railroad shops and then as a fireman. Later, for a period, he worked in a grocery house. Early in life he got a start in local politics. He was City Clerk and afterward a member of the Indiana Legislature. In short, Eugene V. Debs had about the start in life of the average Middle Western American of his period. He soon showed that he had more than average gifts. He might easily have become a prominent citizen in politics or business or both with more than a local reputation. It is worth emphasizing the fact that Gene Debs's passionate sense of identification with the working class was not a matter of necessity but of choice.

Almost as soon as he went to work as a fireman he became interested in labor unions, not merely his own but all the various brotherhoods which were then springing up for different classes of railway employes. In July, 1880, we find him Grand Secretary and Treasurer of the Brotherhood of Locomotive Firemen and editor and manager of its magazine. The titles were more imposing than the office, for the brotherhood had only sixty lodges and \$6,000 debt. In a little over ten years of incessant organizing he built up the brotherhood to a point of great strength. He traveled all over the country, in the early days more often by freight than by passenger train, organizing not only his brother firemen but lending a hand to the organization of every other class of railroad employe. His experiences convinced him of the inadequacy of craft organiza-

tion. In spite of the tears and protests of his own organization he resigned his \$4,000 a year position and in 1894 became head of the new American Railway Union on a salary of \$900 a year. The American Railway Union was an industrial organization which included all classes of railway workers from trackwalkers to conductors. Very early in its life this new union conducted a successful strike against the Great Northern Railroad. The strike lasted for eighteen days and was carried on without violence to the benefit of all classes of employes.

CONVICTION IN PULLMAN STRIKE

Almost immediately came the Pullman strike. In the limitations of this article it is quite impossible to discuss that bitter struggle in adequate fashion. The Pullman employes had real and serious grievances. The American Railway Union refused to handle Pullman cars and so became involved in the strike. Chicago was its centre. On the one side was a combination of the employing interests, on the other of the workers. The strike was broken by the Federal troops whom Grover Cleveland sent against the protests of Governor Altgeld of Illinois and by a Federal injunction under which Debs was sentenced to six months in Woodstock Jail for contempt of court. On coming out of prison Debs received a tremendous ovation. But it was impossible to reorganize his industrial union on the railroads. To this day the craft unions or brotherhoods hold the allegiance of such of the workers as are organized. It was characteristic of Gene Debs that without any legal obligation whatsoever, or anything that the average man would consider a moral obligation, he took upon his own shoulders \$40,000 worth of debts of the A. R. U. and painfully paid them off out of the proceeds from his writing and speaking.

Although many years have passed, the memory of the Pullman strike still arouses bitter controversy. I do not think any fair-minded historian today would deny that Debs did his best to prevent violence. The immediate effect of the coming of Federal troops was to stir up violence. Even Grover Cleveland's conservative biographer, Professor McElroy, admits as

much. Professor McElroy also acknowledges that "far-sighted men" questioned whether "it was wise to awake so unrestrained a power as the blanket injunction," enforced by Federal troops. And he comments on the interesting development that the injunction—and Debs's conviction under it—was based on the Sherman Anti-Trust law, although the strike began against "the unjust exactions of the Pullman Palace Car Company, one of the most perfect monopolies in existence."

But Cleveland, the courts and the troops did their work. The railroads won a great victory, and Gene Debs turned his energies from industrial to political action. In Woodstock Jail he had been introduced to socialism and socialistic writings by Victor Berger. He came out of jail more or less of a Socialist, but not until after the first Bryan campaign did he unite his fortunes irrevocably to the Socialist Party. Five times he was its candidate for President of the United States. Twice he received over a million votes, once in 1920, when he himself was a prisoner in Atlanta Penitentiary. The effect of these campaigns and of Debs's immense labors for the Socialist cause between campaigns was to spread among the masses a general acceptance of many Socialist notions, if not of socialism itself. Let the pace of American industrial expansion slacken and the seed Gene Debs sowed may yet bring forth fruit which will amaze those who now rejoice at the present weakness of his party.

More colorful, however, and perhaps more charged with significance for the future than any of Debs's campaigns, was his famous trial during the World War. I should like to challenge any thoughtful, fair-minded reader to go over the Canton speech and find in it any single sentence which today, after the hysteria of war has passed, would seem to justify the conviction of its author under the Espionage act. In no sense was Debs pro-German. He did not ask our troops to lay down their arms in face of the enemy. He urged no disobedience to the draft. He merely voiced in moving terms his opposition to all war, his belief in the economic causes of this war, his admiration for the Russian revolution and his hope that the workers of the

world would end war. These same sentiments found even more moving and eloquent utterances in his address to the jury which tried him and his remarks to the Judge who sentenced him. These speeches, I think, will live so long as men admire the noble expression of noble ideals. As Professor Chafee has pointed out, Debs's conviction—which was upheld by the Supreme Court—means that all verbal or written opposition to any war while it is being waged may be made the basis for punishment. Whether Americans in time of peace like to contemplate this condition of affairs in their own country is for them to judge. At any rate, even the most militant patriot must admire the exalted courage with which a man over 60 years of age, long a sufferer from the heart disease which finally resulted in his death, faced a sentence of ten years' penal servitude.

Three of those years, to the shame of America, Gene Debs served. One may understand the feeling that during a war so eloquent a lover of peace should be silenced. One cannot understand or excuse the continued confinement of such a man years after the war had ended. The President who refused to pardon him, ironically enough, expressed in his St. Louis speech the same views as to the economic causes of the war which had prompted Debs's opposition to it. This refusal by President Wilson to grant the pardon which even Attorney General Palmer had recommended must rank with his bombardment of Vera Cruz as the two acts most impossible of palliation by his liberal admirers.

Yet those three years in prison revealed to the uttermost Gene Debs's capacity for friendship. He made even the jailers love him. For many prisoners he changed the whole course of life. When the Warden asked Sam Moore, an embittered negro facing life imprisonment, for the secret of the change that Debs had wrought in him, the negro very simply replied: "He was the only Jesus Christ I ever knew."

When President Harding finally pardoned Debs (without restoring his citizenship), the spirit of the old warrior was undaunted, but his health was broken. Nevertheless, to the end of his life he gave himself without stint to the old cause. No

act of injustice, no appeal for help escaped his notice. Probably only the devotion of his wife and his beloved brother, Theodore, kept him going through so many years. It was characteristic of the man that his last act was personally to send a money order for the defense of Sacco and Vanzetti.

INCARNATION OF AN IDEAL

Rightly to estimate the man and his influence upon his time one would have to consider him against some such crowded canvas as Mark Sullivan has drawn in his fascinating picture of the incoming of the twentieth century. (It is, by the way, a weakness in Mr. Sullivan's book that he gives no place to Gene Debs.) Eugene V. Debs was a leader of men when Bryan emerged. He was the political opponent alike of Roosevelt and Wilson. He watched the political fortunes of his party wax and wane with economic circumstances, the rise of the new capitalism, the coming of war and the post-war development of economic imperialism. During all these years he preached essentially the same message. It was a message of absolute loyalty to the working class. It was thoroughly Socialist. But Debs's great service to his own movement was not primarily one of intellectual interpretation or the formulation of a philosophy, or even the shaping of policies. In his later years, as contrasted with the earlier, he was not an organizer. He was the flaming incarnation of an ideal. He was the inspiration of his party and of thousands outside his party. Without disparagement to his real gifts and his genuine eloquence, it must be said of him that what he was spoke louder than what he said or did.

Yet, what he was, as well as what he said and did, made him the great champion of a definite method. Uncompromisingly he waged the class struggle. But always he sought for non-violent methods. Gene Debs was a Socialist, but he was also, in the best sense of the word, a democrat. Since his death the Communists have attempted to claim him as at heart their own. He was nothing of the sort. He was big enough and generous enough to welcome every substantial achievement of the working class, under whatever banner it might

be won. He was willing to cooperate in particular causes and to correct particular injustices with all those who sought that same end. He sympathized intensely with the Russian revolution. But essentially he was a humanitarian of an early Christian quality. He had an almost romantic faith in men and in freedom of speech and discussion as a method whereby they could win liberty. All this meant that he was essentially at variance with the Communist philosophy and practice of dictatorship. Though he himself made no great intellectual contribution to the present problems of socialism, many of us must confess that because Gene Debs was what he was, because he believed as he did in the common man, we find courage still to believe in the possibilities of the democratic ideal and the democratic method. Some of those who now rejoice in the temporary defeat of Gene Debs's Socialist hopes may yet live to pray to whatever gods they worship that Gene Debs's faith in the power of love rather than hate, in democracy rather than dictatorship, may justify itself in the swirling tides of political hypocrisy and the blind crash of contending forces.

But of these things and the real place of Gene Debs in history time must be the judge. We who have known him cannot let him go without a final tribute. He was no plaster saint. He was a man among men. Yet there was something about him that made one very humble before him. He united to an extraordinary degree qualities not easily combined. He was both prophet of humanity and lover of men. The prophet with his vision, his courage, his uncompromising ideals, is often cold, despairing or ruthless in dealing with actual human beings. Debs was a prophet in his spirit, but a prophet who somehow knew how to love his fellow-human beings, not merely for the sake of what they might become, but for the sake of what they are. It was this love, not sentimental, not superficial, sincere and almost unbelievable in its extent, which seemed to give Gene Debs his marvelous courage, his abounding joy, his tremendous hold over all those who came in contact with him. A personality like his lives not so much in some great achievement which poets sing, as quietly in the lives of those who find life better worth living because he has lived.



Japan's Struggling Labor Movement

By WILLIAM A. NEISWANGER

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THE Japanese labor movement is a young movement. As such it has been subjected, as is usual with young labor movements, to governmental oppression. It has been, characteristically, very radical. It is slowly adapting, as would be expected, a program to its own peculiar problems and environment and is in a condition of indecision and change. At the same time the social and economic environment to which it is adjusting itself is also changing rapidly, making the development of the movement more rapid.

Because it has not adopted and retained for any period of time a single definite program, the Japanese labor movement cannot as yet be classified as violently radical, as is that of the Bolsheviks; neither can it be called legally radical with the British labor group; nor is it opportunistic with American labor. Thus far its program has varied from the impotency of Christian socialism for the first seven years of its career to syndicalism and communism for the next four years. In 1923, the eleventh year of its life, a slight shift to the right began. This culminated in the expulsion of the Communists from the General Federation of Labor in March, 1925, and the creation of a new political party, called the Workers' and Peasants' Party (*Rodo Nomin To*), at Osaka in March, 1926.

The problems of the 4,000,000 industrial workers of Japan constitute the most obvious part of the labor question of Japan, but not necessarily the most significant part of that problem. Seventy per cent. of the Japanese people are agriculturists, but half of these agriculturists own no land. This group of tenant farmers is handicapped by lack of close contact between farmers, so that it is more difficult to effect their organization than that of factory workers. However, they have awakened from their lethargy and organized the General Tenant Farmers' Union, and as

an organized group they constitute one of the greatest problems of Japan. This organization took place in April, 1922.

Another group of importance in the Japanese labor problem is the social class of *Eta*, about 3,000,000 in number. They are largely descendants of aboriginal races inhabiting parts of Japan and were vanquished by the first Japanese and reduced to slavery. In 1871 the Emperor Meiji issued a proclamation emancipating the *Eta*, and instructions were issued urging all classes to live together as good neighbors. In spite of the proclamation and although these special class people are not racially distinguishable from other Japanese, they are discriminated against, outcast and mistreated to an extent greater than is the negro in American life. Persecution has caused the *Eta* to degenerate into malcontents or vagrants and make them a fertile soil for radical propaganda.

In 1922 delegates from the *Eta* group to the number of 2,500, mainly proletarian, met at Kioto and formed the *Suiheisha*, the Water Level or Leveling Up Society. Two years later the membership of the organization was estimated at 1,000,000. In a demonstration at their second annual meeting they appeared carrying a red flag on which was inscribed "a crown of thorns, symbolic of suffering."

Only two other nations in the world are more densely populated than Japan, namely, Belgium, England and Wales. The comparison becomes more significant when it is remembered that only about one-sixth of the total area of Japan is habitable, while the ratio is as high as 74 per cent. for Belgium and 73 per cent. for England and Wales. Per square mile of tillable area, it is clearly evident that Japan is more densely populated than any other nation. On the basis of total area, including both tillable and non-tillable land, Japan has about 439 persons per

square mile. There are about 35.5 per square mile in the United States. The fact that 70 per cent. of the population are engaged in agriculture and that only 12 per cent. of the people live in cities of over 100,000 population shows that Japan has not yet solved her problem by industrialization as England has partially solved hers. The specific bearing of overpopulation upon the labor problem is that the resulting economic scarcity makes inequalities in the possession of wealth more noticeable and obnoxious to the "have-nots." When a condition of dissatisfaction arises in a modern nation it is usually attributed to the "interests" and "property," so that congestion resulting in a low standard of life is conducive to a spread of radical ideals.

Apart from this important element in the Japanese situation, which led the Tokio *Nichi-Nichi* to declare editorially that "universal poverty is a social disease inherent in Japan," there is another important factor—the highly emotional character of the Japanese people, which tends to make them extremists. "If liberals they are extremely liberal, if conservatives they are extremely conservative," says S. L. Gulick (*The Evolution of the Japanese*). The intense feeling aroused by such a question as universal manhood suffrage was seen, for example on Feb. 21, 1925, when, according to the *Japan Advertiser*, Tokio was virtually under martial law "with thousands of policemen and gendarmes guarding the street corners when the Universal Manhood Suffrage bill was introduced into a crowded and excited Diet after long consideration in the Privy Council. Demonstrations took place in all parts of the city and arrests were reported in many instances." This emotionalism clearly affects mass activities characteristic of labor disputes, for it enters into such questions as private property rights, freedom of speech and action, forms of government and similar problems essentially constituting part of the labor question.

FIRST UNIONS IN 1897

Feudalism was abolished in Japan in 1868 and the master-serf relationships gave way to employer-employee relation-

ships. Labor thus became free and mobile, so that when the beginning of industrialism did come after the Sino-Japanese War (1894-95) and developed more importantly after the Russo-Japanese War (1904-5) there was an available supply of free labor. With the advent of industrialism labor unions of a modern type first made their appearance. In 1897 the first unions were organized in Tokio among printers and ironworkers, and the next year a union was formed of railroad engineers and firemen, which successfully conducted a strike. In 1900, however, the Government passed the following law, which is still on the statute books:

POLICE REGULATIONS—ARTICLE 17

No violence shall be inflicted upon others, nor threat of violence made against others, nor the character of others defamed in public with the following enumerated objects in view, and no inducement nor instigation shall be offered to others with the objects in view expressed in Clause 2:

1. To make others join or prevent others from joining associations formed for the purpose of cooperation in regard to conditions and rewards of labor;
2. To make employers discharge employes or refuse applications for employment, or to make employes neglect their duties or refuse applications for employment in order to effect a lockout or strike;
3. To compel by force others to agree in regard to conditions of labor or rewards of labor, or to inflict violence upon others, or make threats of violence against others to compel them by force to agree in regard to conditions or rent of land for agricultural purposes.

Although this law may not actually make labor unions illegal, it does make their practical operations illegal, and it was used against the newly developing labor organizations, so that from 1900 to 1912 there were only ill-defined and sporadic attempts to form unions and nothing worthy the name "movement" eventuated. The attitude of the Government was illustrated by the severity of the punishments inflicted upon twenty-four of the Socialists and anarchists tried at the famous trial of 1909-10, when they were sentenced to death and twelve of them were actually hanged. In 1912, however, a group of bourgeois intellectuals, led by Bunji

Suzuki, gained the consent and the support of the Government to establish a union for the industrial workers, called the *Yuaikai*. Dominated as this movement was by intellectual reformers, promoted by the Government and embracing Christian socialism, it did not gain favor with the laborers. It was in spirit and in name a Workers' Friendly Society, and remained small, weak and relatively insignificant for seven years after its foundation.

The failure of the Japanese workers to develop an aggressive movement during this period may have been due partly to the hostile attitude of the Government, but much more to the fact that industrial conditions conducive to effective organization did not come into existence until the World War. So great was the industrial expansion of that period that it has been called the industrial revolution of Japan. The number of factories using motive power increased from 14,578 in 1914 to 26,947 in 1919, and then to the large figure of approximately 50,000 in 1921. The total horse power used in the factories increased 120 per cent. between 1914 and 1921. At the end of 1914 the total paid-up capitalization of all Japanese industrial companies was 833,560,000 yen, but it had trebled to 2,248,850,000 yen at the end of 1919. This tremendous industrial development required workmen, and by the offer of what were considered high wages in Japan, workers were attracted to the factories in thousands. Using the number of workmen employed in 1909 as a base, the index number for workmen employed in 1914 was 98; in 1922, 211. Adaptations are always slowly made in periods of industrial revolution, and so in Japan working conditions were and are bad.

Wages are low. Over 60 per cent. of the million and a half employees of the textile mills in 1920 were women. These women received on an average about 45 cents a day. Less than 1 per cent. of these women are organized. The men who work in these mills are paid 85 cents a day. The average wage for common day labor in Japan is almost 95 cents a day. If bonuses be added and the advantage given employees in buying rice at wholesale be considered, the average should be slightly raised.

Cost of living figures show that in 1914 12 per cent. of the workman's budget was allotted to the purchase of rice, but by 1919 50 per cent. of the budget expenditures was for that article of diet. While wages are low the hours of work are long, being practically unregulated by law, inasmuch as the Factory act of 1916 is concerned primarily with "protected workers," namely, women and children under 15 years of age. G. N. Barnes, M. P., delegate of the British Government to the Washington Labor Conference in 1919, stated:

In Japan the Factory act limits the working day to 13 hours per day, and in one industry, which is the largest in the country, 120 hours' overtime is allowed in addition to that 13-hour day. Moreover, there is no weekly holiday or Sunday holiday, excepting two each month, that is, on the first and fifteenth of the month there are holidays, but apart from that the 13 hours per day is actually worked all the time. The cotton industry works 11 hours a day. In other industries the working day nominally is about 10, but actually is about 12, because of the fact that overtime is quite common and continuous.

There were 86,490 women working in mines in 1923 and 38,913 of them worked inside of coal mines. Of the women who worked underground 11,064 were less than 20 years of age. An investigation by the Department of Agriculture and Commerce in April, 1919, into conditions in 534 spinning, weaving and dyeing factories revealed that the majority of the workers were women and that they were accommodated in the factory boarding houses. In some of the small factories workmen were made to sleep and live in part of the factory buildings or in attics destitute of sanitary devices. Factory conditions are improving, but the dormitories are still bad. In some cases ten to twenty people are compelled to lie down in a space of one tsubo—less than four square yards.

FEDERATION IN 1919

At the same time the cost of living had been increasing. The price of rice, the staple food, rose 400 per cent. from 1914 to 1919. These unsatisfactory conditions had several important results, among them being the rice riots, an increase in the num-

ber of strikes and a strengthening of the labor unions. The famous rice riots of 1918 took place at 140 centres in the empire and tended to stimulate the development of class consciousness among the people. In regard to strikes, 50 were recorded in 1914—more than for any other year since 1907. In 1917 the disputes rose to 399, and in 1919 there were 497 strikes, involving 63,000 workmen. Notwithstanding lack of strike funds, fewer than 40 per cent. of the strikes in 1918 resulted in a withdrawal or refusal of the workers' demands. In 1919 the percentage in which demands were withdrawn or refused was less than 30 per cent.

Until 1919 the various unions had been so much concerned with their own individual struggles for survival that they had devoted no energy to federation. With the rapid industrial expansion during the war came the importance of continuous operation of the plants, rising wages and a greater disposition on the part of employers to grant labor's requests, so the struggle for mere existence became less strenuous, and in 1919 three large groups, the Eastern Union, the Western Union and the Miners' Union, federated with one another and the *Yuaikai*, to form "Japan's Great Labor Federation of *Yuaikai*." A general organization took place, in which Bunji Suzuki was retained as President, but the other offices passed mainly into the hands of men imbued with the spirit of the class struggle, under whose new leadership a new program of a syndicalistic nature was adopted.

Another factor in strengthening the labor movement of Japan was the International Labor Conference at Washington in this same important year of 1919. In view of the adoption of a world-wide labor policy, and under the searching criticism which the Japanese Government received at that conference for its attitude toward labor, the Japanese workers were given permission to organize under the surveillance of the Government Labor Bureau, but even then the unions were given no definite legal status. This concession, however, seemed to stimulate the growth of unions, as the first Labor Year Book of Japan (1920)

reported at the end of the year 1919 270,000 members of labor organizations.

Labor's advent as a significant element in Japanese life was reflected in the formation by the Government and business interests of the *Kyōcho Kai*, or Harmonizing Society, in January, 1919, with a capitalization of 6,000,000 yen, for the purpose of educating the workers and instilling in their minds the belief that the objects of capital and labor could and should be worked out harmoniously and by cooperative endeavor. Needless to say, the workers from the first regarded this organization with the greatest suspicion.

LABOR PROCLAIMS CLASS STRUGGLE

In 1920 business depression brought unemployment and characteristic ills. The membership of the unions fell off and the movement was weakened, the membership today being about 100,000 less than that reported in 1919. The experience of the depression convinced the union leaders of the futility of attempting to solve their problems by trade union methods alone and that a fundamental change in the economic order was necessary. This feeling was reflected in the programs adopted at the 1921 and 1922 congresses of labor. They came out very definitely for the class struggle and in direct opposition to the capitalistic class, with a demand for the emancipation of labor. They condemned the International Labor Conference at Geneva as an organ of harmonization and cooperation with capital, rather than one of class conflict; condemned their own Government for disregarding organized labor in Japan when selecting the labor delegates to that conference; denounced police activities against labor; demanded the recognition of Russia; urged the development of industrial unionism at home, and showed their contempt for political action by refusing to continue their agitation for universal suffrage.

During the industrial depression the organizers of labor, finding their work relatively ineffective among the urban industrial workers, took up the task of organizing the great body of tenant farmers, who number one-half of the farming population, which in turn includes 70 per cent. of

the total population of Japan. Of all those who own land only 3 per cent. have as much as eight acres and 70 per cent. of the land owners own only 2½ acres of land or less.

In the Fall of 1921 several thousand tenants joined in a movement against the landlords for a reduction of rents. The index number for the price of wheat had moved from 401 in 1919 to 277 in 1921. The tenants refused to harvest any crops until their demands were granted. The landlords were forced to make substantial concessions. The success of these tenants inspired others. Whereas in 1920 there had been only 408 disputes between landlords and tenants, before the end of 1921 the number had increased to 1,255, of which 500 remained unsettled at the end of the year. At a meeting at Kobe on April 9 and 10, 1922, the General Tenant Farmers' Union was organized and resolutions were adopted calling for the nationalization of land, the nationalization of medicine and the immediate recognition of the Russian Soviet Government. By the following year there were 370 branches and 1,340 unions of tenant farmers. During the same period the landowners organized 414 associations in order to deal better with the newly unionized tenants.

As the outcome of the private property issue is dependent upon the coalition of non-propertied interests against the propertied interests, the rapidly growing union of industrial workers and tenant farmers, forming as they do a very large percentage of the entire Japanese population, is deeply significant, especially as the Tenant Farmers' Union has organized politically.

In 1923 several things happened which affected both industrial and agricultural labor and caused the movement to swing to the right despite governmental suppression of communistic agitation.

The earthquake had the result of unifying the people with its equalizing effect and removed those differences which in the minds of many workmen were less exigent than the appeals for cooperative aid in rehabilitation. In accordance with the general feeling of impatience toward subversive organizations which prevailed after the catastrophe, the Government

raided the homes and offices of many supposed Socialists, including those of several university professors. Approximately 100 persons were arrested. An important result of this action was that the Socialists changed their tactics and openly organized a Fabian Society of Japan and a Society for Political Research, both of which became active in the organization of a proletarian party, when it became evident that the Suffrage bill would be passed. This attempt on the part of the Socialists to bring their movement into the open and institutionalize it is in accord with modern constitutional procedure.

Among the measures adopted by the Government in 1923 that led to a diminution in the radical spirit of the Japanese labor movement was the change in the manner of selecting the delegate to the International Labor Conference, whereby some recognition was granted to the organized workers. The first election held under the new plan resulted in the election of Mr. Suzuki, who was also elected for the subsequent annual conference. The Labor Federation of Japan now cooperates with the International Labor Office, which it had refused to do before on the ground that it was not radical enough.

FIRST STEPS TOWARD LABOR PARTY

The Universal Suffrage bill caused the most clearly marked change in the program of Japanese industrial labor. Before February, 1924, the organized workers favored direct economic action and opposed strenuously the idea of political action. When, however, it became evident that at last the Suffrage bill would become law the labor leaders were confronted with an actual problem which was no longer academic, for now they had the opportunity for political action, whether they wanted it or not.

The movement had been weakened in the hardship of the business depression, and this change in program offered new hope in a time of discouragement. At the conference held early in 1924 it was decided after much heated discussion to create a department in the Federation of Labor for political study with a view of

establishing a proletarian political party. A report was submitted to the annual convention of the Federation at Kobe in March, 1925, recommending the creation of a Labor Party, sponsored by and rooted in the Federation. The plan was opposed by the communistic Kwanto Council of Labor Organizations, a district federation of twenty-six unions, subsidiary to the General Federation, and definite action on the report was postponed. This group also demanded the removal from office of the Central Executive Committee of the Federation on the ground that its members had lost touch with the labor situation and with what the workers were thinking. The opposition by the Kwanto group brought about a split between the General Federation of Labor, dominated by the Suzuki group, and the Kwanto group under the leadership of Yamakawa and Sakai, Japan's most prominent Communists. At a meeting of the Central Committee of the Federation on March 27, 1925, the Kwanto Council of Labor Organizations was ordered to dissolve. Having thus been expelled from the General Federation, the Communists organized their Kwanto district of twenty-six unions into an organization called the National Council of Trade Unions (*Rodo Hyogikai*). The Communists also joined the previously mentioned Society for Political Research in large numbers and were able to prevent the carrying out of a plan which the General Federation had previously made with the Society, for the creation of a Proletarian Party, organized on broad lines to include industrial workers, peasants and even members of the lower middle class.

In August, 1925, the General Tenant Farmers' Union, the organization of propertiless agriculturists, took the initiative in calling a meeting for the organization of a political party. The General Federation sent delegates, hoping to effect the organization, and the National Council, with its sympathetic Society for Social Research, sent delegates determined to prevent the organization. The meeting ended in a fiasco.

Other attempts were made to organize a political party, one of which in December, 1925, perfected and instituted a party or-

ganization which endured three hours. Then the police appeared, arrested the leaders and announced "that the Ministry of the Interior had decided to enforce the new Peace Preservation act, and under its regulations to prohibit the formation of a 'Proletarian Party' or any of a similar nature." The Government explained its action on the grounds that the unpublished Programme of Principles was communistic, as were many of the persons who would doubtless join the party.

Undiscouraged, the Japanese Tenant Farmers' Union and the unions of industrial workers drew up principles for a Proletarian Party in general reformist terminology, "looking toward the emancipation of the working class by every legal effort." The organization meeting was held at Osaka in March, 1926, and the Workers and Peasants' Party (*Rodo Nomin To*), which resulted, still exists. About 200,000 voters were represented in the meeting.

There are numerous problems before the party. How long will the Government suffer the party to exist? Will President Motojiro Sugiyama be able to compete with the skilled statesmen of Japan? Will the laborers, with their small wages, be able to finance a campaign, the expenses of which are notoriously high? Will not Viscount Goto and the new liberal party which he is organizing attract the vote of the liberal element in Japan?

At present the most that can be said is, to quote a professor of economics in the Imperial University of Tokio, "a germ of an effective movement is present. It may grow."

There are factors which are retarding the swing toward the right. The economic depression, with its attendant evil of extensive unemployment; the undesirable working conditions and, most important, the governmental interference with the unions, are keeping radicalism alive.

GOVERNMENT OPPPOSITION

Article 17 of the police regulations, already quoted, makes effective trade union activity unlawful and is deeply resented by the workers. The police, who are considered antagonistic by the workers, are able to find under this law, together with

the "dangerous thoughts" regulations, reasons for making arrests on almost any grounds. In the three-year period, 1918-20, there were 1,286 arrests of strikers under Article 17, although it was applied in somewhat less than 10 per cent. of the strikes which took place. In a statement presented to the Washington conference, Uhei Masumoto, Japanese workers' delegate, said:

The important and significant fact is * * * that because of the existence of this law, and the popular interpretation of it, the people are intimidated and fear to organize into unions or to encourage strikes. * * * As long as Article 17 of the Police Regulations exists, the practical effects of which are to intimidate labor, there will be no benefit to labor in the simple theoretical recognition of the right of labor to organize.

The workers of Tokio on Feb. 11, 1925, held a demonstration against a new Peace Preservation bill, introduced into the Diet by the Government, which was even more objectionable than Article 17. The new bill provided seven years' imprisonment for agitation for the "overthrow of fundamental national principles or the form of government" and the "denunciation of the system of private property." The general terms of the bill, which was passed in a slightly modified form by the last session of the Diet, and used to prohibit the formation of the Proletarian Party in December, 1925, are feared not only by labor but also by the press. Of the police activity during the demonstration the *Japanese Advertiser* stated:

Every suspicious character that attempted to join the throng that started the parade was searched by the officers and any literature that he happened to carry was confiscated. * * * Socialists and radical workers known to the police among those who tried to attend were stopped and ordered to leave. * * * The speeches were lively and the police became busy as they proceeded. Speaker after speaker was stopped, while the crowd shouted and applauded loudly, objecting the while to the action of the officers.

More than twenty speakers were thus forbidden to continue, on the grounds that the sentiment of radicalism tainted their remarks.

The trend of thought on labor problems in Japanese Government circles is indicated not only by the passage of the severe Peace Preservation act, but also by the passage of a bill providing for the compulsory arbitration of industrial disputes in certain industries invested with a public interest. Furthermore, it should be noted that the Diet refused to pass a bill which would have given trade unions a legal status. Despite the fact that the attitude of the Government has been changed but slightly and that the restrictions are certainly not fewer than formerly, Japanese labor has become more conservative. However, the new conservatism is a conservatism of action and methodology rather than of ultimate principles, as is shown by the latest statement from Mr. B. Suzuki, President of the conservative General Federation:

1. We laboring men are determined to promote our knowledge upon the strength of unity and upon the system of mutual support.

2. We laboring men are resolved to fight pressure and persecution directed at us by capitalists with indomitable courage and efficient tactics.

3. We laboring men are convinced that labor and capital are incompatible. We are determined to realize a new society upon the strength of labor unions, where liberty, freedom and equality will prevail among laboring men, who will be completely emancipated from the influence of capital.

The Japanese labor movement is still in a condition of change and formation. The growing organized strength of the proletarian groups, industrial workers, *etc.*, and tenant farmers, and the programs which they are adopting are of deep significance. The political action of these groups, as they express their desires through their Workers and Peasants' Party, may be of great importance, not only to Japan but to the entire Pacific area.



The Negro Farmer's Progress in Virginia

By the late WILLIAM S. SCARBOROUGH*

Former President of Wilberforce University; Specialist in Farm Studies, United States Department of Agriculture

VIRGINIA is said to rank as the twentieth State of the Union in number of its population and thirty-fifth in respect to land area. It is not only one of the oldest of the States, progressive in all its activities, but it is distinctly prominent as the mother of Presidents as well as the mother of prominent men. To be born on Virginia soil is the pride of every Virginian, whether white or black, and to him the soil is sacred. The State, says history, has been the theatre of many historical events from the settlement of Jamestown to the surrender of Yorktown. These events have made it prominent and have fixed for it a permanent place in the literature of the nation as well as in the galaxy of States.

History tells us also that the State of Virginia, above all other Southern States, was especially hospitable to its colored people, though slaves, and that these people were never subject to the horrors of the slave system as were those of sister States, and also that the class often designated as "poor whites" had less standing with the F. F. V.'s ["First Families of Virginia"] of the State and was held in less respect than the negro himself. Naturally enough this difference in viewpoint and in treatment had its effect to the extent that the colored people often regarded themselves, though in slavery, as superior to their fellows in like condition in other States.

It is a historical fact that in the former days the "lordly owner of a Virginia plantation often surrounded himself with slaves and established himself in a mansion that was as inaccessible to the common herd as a feudal castle, and that his personal dignity and self-esteem were no less exalted than that of a feudal lord." This atmos-

sphere which surrounded the old master was far reaching, and the colored people, both as slaves and as freemen, naturally partook of its spirit and so imbibed it that to this day one of the characteristics of the Virginia negro is race pride and race superiority. There is no class of people in the race more industrious, more self-respecting, more sincere in love of country and devotion to its interest, more patriotic and more loyal to their State than these negro people—the product of the Old Dominion. They are people of good blood; and as a rule they had, comparatively speaking, a good start in life.

Virginia is an agricultural State. More than nineteen million acres of its territory are in farm lands. Of its people, three-fourths live in the country and in the rural districts, according to the census report of 1910. From the same source we learn that the total number of farmers (white and black) in 1910 was 184,018, but in 1920 this number had increased to 186,240, a gain of 2,224 in ten years. In 1910 there were 135,904 white farmers, giving 48,114 negro farmers. In 1920 the white farmers numbered 138,456 and the black 44,786, a falling off of negro farmers, but an increase of white. This decrease on the part of the blacks was no doubt due to general restlessness and the migration of the negroes from country to city and also to Northern industrial centres for financial reasons and for avoidance of undesirable conditions which they were compelled to meet. Statistics show that there are 925,708 negro farmers in the United States, and that of these 218,612 are owners of the land they till; 2,026 are managers operating for those who own the land and 705,070 are tenants or renters. Of these negro land owners 30,908 are in Virginia, scattered here and there in groups, earning their own living and solving their own problems, and for the most part they are

* This article was written by Dr. Scarborough shortly prior to his death, which occurred on Sept. 4, 1926; it was the last article from his pen.

prosperous in spite of prejudice and the handicaps which it entails.

It is in Southampton County that one finds negro life teeming with interest. It is in part the black belt of the State, furnishing examples of the possibilities of the race when left alone and under normal conditions. Adam's Grove is one of these farm communities—the black man's Eden. There are many other such successful communities, among which Branchville and Riverdale may be mentioned, where black people are found in large numbers carving out their own destinies to the best of their ability and with surprising progress.

The freedom of these communities from lawlessness and crime deserves more than a passing notice, as it shows that people of this type are as law-abiding as any on earth and are too busily engaged in shaping their own future even to think of law violation. It is this class of people that feels injustice keenly and that appeals to the courts and to the consciences of the American people at large for relief. I have yet to find a group of negro people where there is a large industrial element strictly attending to its own affairs, as in the farming districts cited, who are not influential in their communities as successful farmers and good citizens. I have yet to find among any of these people, men or women, vicious and worthless individuals.

SUCCESSFUL NEGRO FARMERS

In a recent survey in a Virginia county I found out of 261 farmers interviewed that 112 were tenants and 149 were owners of land. I learned that the average wealth of those owning land was \$8,420.23, of which 16 per cent. was wealth from inheritance or bequests. The average amount of wealth from this source may be estimated in round numbers at about \$153.40 per man—not a large sum, as the forebears of these people were, as a rule, men of little wealth, having little to leave behind them. The most important source of their wealth, however, was that of land values, from which they received a net increase. Of these values the farmers interviewed had realized a net increase of \$3,723 per man, which was a good show-

ing for the owner-operator. Land that was worth \$4.64 per acre in 1900 increased in value in 1920 to \$41.90 per acre—almost 1,000 per cent. in two decades, as the census report shows. Thus the farmer who was fortunate enough to have bought a few hundred acres of land in 1900 at these existing figures found himself in 1920 in good financial shape and with a surplus to his credit. Many of them did this, and as a result they are today numbered among the well-to-do farmers of the State.

These are the rifts in the clouds for the negro farmer in the South, and they should mean much to the people as a whole, whose future depends so largely upon the use made of opportunities. While race prejudice is deep-rooted and quite universal in this land of ours, there is still room for hope, and it may be that the negro farmer will yet be one of the chief factors in the solution of the problem. An intensive study of the negro as a farmer and a farm owner strengthens this belief. For it is here that he is seen at his best—an owner of some of the finest farm land in all Virginia, improved and unimproved—in a large sense a monarch of what he surveys, learning to know his own defects and mistakes, gaining ability daily for that self-measurement necessary to any progress, living close to nature in an environment of his own making, and building up thereby a strength and stability that will go far to give him the proper gauge of his life in relation to others. It is here that his influence is often far-reaching and felt for the good of all the people. Though in the South, where the opposition to him is the greatest, let his acreage be large and his success marked and he is bound to command the respect, even esteem, of the better classes, who are now united for study of better race relations. This appreciation cannot fail in time to produce a sentiment that will wear away the edges of race irritation, smoothing the way to the peace that his prosperity merits, bringing aid in seeing that justice is done him and implanting a permanent feeling of indignation and salutary protest at any acts that show inhumanity to the race.

Negro farmers throughout the South have continued to increase in relative num-

bers as compared with white farmers. They have also made encouraging progress in climbing to independent ownership, but the large increase which occurred in the price of farm land in the years from 1910 to 1920 somewhat checked their progress in this direction.

ACCUMULATION OF WEALTH

Since the Civil War, however, remarkable progress has been made by these people in the accumulation of wealth. Various elements enter into this progress—elements that can hardly continue to be available, as conditions have changed. In the first place, the low price of land in the period following the Civil War times, and favoring the attainment of land ownership, no longer exists. Then the rapid increase in value of timber land enabled many of these farmers to increase their earnings largely by clearing off the land and by selling the timber at a great profit, and at the same time to make ready for their crops. Then, again, the rapid development of the market for peanuts and the increase of the price of cotton two or three decades ago, and later intensified by the World War, made conditions decidedly favorable for them. The net worth of a large number of farm owners has also been greatly increased by the rapid advance in the price of land.

The negro farmers' progress has been achieved in spite of handicaps and in spite of a most undesirable credit system. The majority of these farmers do not make use of the facilities of the farm loan system because of race prejudice, although they may be anxious to do so. They are well aware of the advantages accruing from these loans, but they are unable to enjoy these benefits because they have no one in authority to speak for them. Throughout the South there has been an undue reliance on store credits as a means to secure short-time credits. It is to be observed that progress in accumulation and in financial independence is closely related to reliance on the farm well tilled and well kept as a source of food supplies. My own observations show that when the best accumulators made the largest use of home-grown prod-

ucts, this reliance did not greatly reduce the dependence upon store purchases, which proved to be a burden rather than an aid in the standard of living.

Inheritance has played but a meager part in the accumulation of wealth among all farmers in Virginia except in scattered cases where landed estates came down from one generation to another. This was sometimes the case with negro farmers, but what such possessed was generally earned and often after many failures. The human factor enters more largely into accumulation than external circumstances, whether by inheritance or by some other adventurous methods of acquiring wealth. It is the man, after all, who has inner resources who rises and climbs in spite of handicaps. This is seen in all communities where individuals operating in similar movements succeed in surpassing their neighbors in the accumulation of wealth. The laws of success and failure apply to all alike, and it is only the few who achieve eminence in a chosen profession, whether farmer or business man—black or white.

COOPERATIVE MARKETING

"Cooperation, though apparently a new term among farmers, is now being rated at its true value in cooperative movements of all kinds. The force of cooperation was never more fully realized than in the various attempts to afford relief to farmers by legislation through cooperative marketing." The negro farmer has caught the spirit and is found in all cooperative movements as far as it is possible for him to enter. He, too, is beginning to see the improvements and advantages to be derived from cooperative organizations. The lack of such organizations has been quite ruinous and has put every farmer to much trouble, making him lose much that he otherwise should have gained. Now, everywhere the cry of "cooperation" is heard.

In keeping with this spirit several cooperative marketing organizations have been formed in Virginia and to good effect. The negro farmer is evincing much enthusiasm in these movements, and it is surprising to what extent he is making his influence felt in these cooperative farming activities. Its worth is emphasized in the

Bulletin from the Department of Agriculture, Richmond, Va., which says: "These cooperative organizations include all forms of farm products, and especially peanuts, cotton, tobacco and cabbage, as is seen in the counties of Wythe and Smith in the southwestern part of Virginia. In these two counties alone 60 per cent. of the acreage is pledged to the association for selling. Then, too, there is an association cooperative in every respect that includes shipping also. The cooperative spirit is a commendable one whether seen among white farmers or negro farmers. There is no doubt but that white and negro farmers united in cooperation will have things their own way." This is most promising for both races in many respects.

EDUCATIONAL PROGRESS

As one would suppose, superior educational facilities and superior advantages are not always an outstanding cause for superiority in accumulation. However, those who possess these are the best accumulators of land, as is shown by the fact that many of the more successful have attained a higher scholastic grade than those who have not been so successful.

It is to be noted that the former class are giving their children greater educational advantages than are enjoyed by the children of the latter. The children of all the negro farmers have been limited to the educational facilities provided for such children in the public schools of the section. Many of the farmers, however, have sent their children to schools out of the county and State, where they might get the best training attainable, and it is interesting to note that the majority of such have made the most of their opportunities.

Some examples of successful negro farmers as a part of my own observations in Southampton County are cited herewith: W. B. Turner was the owner of 1,200 acres of land. He had 200 acres in peanuts, 100 in cotton and 100 in corn. H. B. Best owned 410 acres and had 75 in peanuts, 25 in cotton and 25 in corn. William Vann's acreage amounted to 300 and he had put 100 acres in peanuts, 25 in cotton and 50 in corn. J. T. Claud, who owned 600 acres,

had 100 in peanuts, 25 in cotton and 50 in corn. David Scott had 200 acres in peanuts, 50 in cotton and 50 in corn. Paul Sykes owned 300 acres, with 150 in peanuts and about 50 in cotton and corn. D. C. Tennessee, who owned 200 acres, had 75 in peanuts, 25 in cotton and 50 in corn. N. L. Rodgers was the owner of 597 acres of land, with 75 in peanuts, 40 in corn and but a small portion in cotton. Calvin Williams owned 450 acres and had 100 in peanuts, about 35 in corn and 40 in cotton. J. E. Harris of Franklin owned 225 acres and had 50 in peanuts, 25 in cotton and 30 in corn. William Jackson, with 300 or more acres, had 75 in peanuts, 50 in corn and 25 in cotton. H. E. Smith had 100 acres in peanuts out of his 350 acres, with 50 in corn and a small portion in cotton. Henry Scott owned about 3,000 acres, with about 600 acres of peanuts and a goodly portion devoted to cotton and corn. J. Willis Ricks owned 365 acres, with 125 in peanuts, about 100 in corn and 60 in cotton.

The last named serves well as an example of industry and thrift giving incentive to other negro farmers. He bought 260 acres of land when he was 25 years old, paying cash (\$1,800) for it. He still operates this farm. He began farm life at 13 years of age, when he bought an ox for a small sum and sold it for \$50. Then he borrowed enough to increase this sum to \$137. Then he bought a horse. With this start he continued accumulating from day to day until his possessions have reached the present figures—365 acres. He has sent most of his children to college, where they graduated with honor. Some are now on the farm and others in the cities. He has built a schoolhouse not far from his farm home, where his wife, a graduate of Hampton Institute, teaches. He is a man who, though not large in size, is of striking appearance and of sufficient personality to make him one to be observed in any crowd. He is eminently pious and a good churchman, one of the officers of the church consulted on all important matters.

These are most encouraging examples to set before the rising generation, showing the possibilities residing in farm ownership and the worth of farm life generally.

San Francisco's Sesquicentennial

By MICHAEL WILLIAMS

Editor of *The Commonwealth*

HERE is more than an interesting coincidence in the fact that San Francisco, in October of this year, celebrated its one hundred and fiftieth anniversary, and thus that under the mighty shadow of the nation's celebration of its one hundred and fifty years of life there should occur this local festival. There is a vital connection between the two events, for, when the little band of Spanish officials, soldiers, colonists and missionaries laid the foundation of the Presidio, or military headquarters, and the Mission, the religious headquarters, of San Francisco in September and October of the year 1776, these events followed shortly after the signing of the Declaration of Independence and the ushering into the life of the world of the new nation of the West.

On Sept. 17, 1776, when with civil and religious ceremonies Spain settled the most northward of her colonies in America, George Washington was facing Lord Howe on Harlem Heights in New York. Only the day before he had repulsed the British, a slight encouragement for the leader of the forces of the Revolution after his retreat from Brooklyn Heights. Though it is conjectural, it may be possible that Washington and the fathers of the new nation were at this critical time enheartened by learning of the action taken by Charles III., King of Spain, as part of the general Spanish policy which in another way was being put into force by the founding of San Francisco. It was about this time that Charles and Grimaldi, his Minister, decided to help the Americans against the British by lending substantial sums of money, by the shipment of arms and the aid of experienced officers.

While the star of the new nation, which was destined so rightly to become the greatest of all republics, was rising amid doubtful auguries, the star of the Spanish Empire, one of the most powerful and splendid that the world had ever seen, was

declining. Charles III. was fighting against overwhelming odds to avert the disaster overshadowing his dominions. Hardy and forceful, almost violently adventurous, yet dreamy, artistic and idealistic, Spain in that fateful year of 1776 was a warrior nation which had spent its force in centuries of fighting, but was not yet fallen altogether from its high estate among the great nations. With sinewy hands equally habituated to the sword and to the rosary, facing a strange new era with haughty, uncomprehending and tired eyes, Spain at San Francisco was making one last fight to hold fast her dominion over the Pacific against Great Britain and Russia. The founding of that city was the climax of Spain's Western empire—the spiritual if not the material climax, the turning point of Spanish destiny in America. California cannot lose sight of its Spanish origins save at the cost of losing a vital link in the continuity of great and significant history. Spain, England and Russia strove for the opulent prize that in the event became part of the United States.

The Spaniards in America were at once dreamers and doers. They were the realizers of romance, the romanticisers of the real. They produced mystics who shaped their visions into solid substance; artists in action; poets who followed their imaginations into lives of adventure; priests and nuns who sought the invisible with more than a miser's passion for the tangible touch of gold. Inextricably mingled with these idealists were the canny, hard-headed and stony-hearted men who sought only personal power, the triumphs of pride, and the material rewards of an avarice that in some of them knew no bounds. But upon this mighty people fell the enervation of decadence. In 1700 it had reached, apparently, the very depths of its fall. Its purse was empty; the reduced population dwelt miserably in a country without roads, with little commerce, and blighted by

bloodsucking taxation. In the reign of Philip V., however, came a revival of energy, and Spain's financial and military methods were reorganized. The improvement in the administration of the colonists was a great step forward. Under Charles III. these measures were still more improved. By the sending of José de Galvez to Mexico to reorganize the governmental finances and initiate new and vigorous measures Spain made its last great bid to retain its American possessions and make them profitable. Galvez it was who set in motion the political forces which led to the conquest of California and the founding of San Francisco.

THE MISSION PERIOD

For some seventy years after its founding San Francisco was known only to its handful of inhabitants and the thin chain of Spanish settlements which through missions and presidios maintained Spain's fragile hold upon the coast of California from San Francisco south to San Diego. It was during these seventy years, at least during the first fifty of them, that California lived in the midst of a sort of golden age. This was its mission period. Its history was almost exclusively a history of religious enterprise. The hopes of the Spanish Government to develop the settlement and commerce of California were never energetically pursued and were without practical fruits. The Franciscan friars carried on strenuously their task of converting the Indians and civilizing them so far as was possible. Their results are visible today in those rude yet charming mission churches and buildings which dot the coast line of California and lend so much to the beauty and romance of the Golden State. Their very names, as Charles Warren Stoddard has pointed out, and the names of the other old-time Spanish settlements, make the railroad timetables read something like a litany of the saints.

Meanwhile, the new and ever-growing nation in the East was sending forth its pioneers westward. Sturdy hunters and traders from what was then the frontier of the United States, back in Kentucky and Missouri, began to trickle by ones and twos

and small groups into the pastoral population of Spanish California. Then came more forceful expeditions, culminating in Frémont's conquest. But it was the discovery of gold that led to the sweeping away of Spanish California and the transformation of San Francisco from a huddle of adobe houses into first the most hectic and turbulent gold rush camp perhaps the world has ever seen, and so swiftly thereafter into a great city that, according to the judgment of many minds, is destined to become one of the greatest cities of the world. It is now well known that gold had been found in California before Marshall made his epochal discovery at Sutter's Creek, near Sacramento. From the earliest times there had been legends of its existence. In Hakluyt's account of the visit of Sir Francis Drake to California in 1579, it is declared that in California "there is no part of the earth there to be taken up wherein there is not a reasonable quantity of gold and silver."

As gold and silver has never been found in the region visited by Drake, his statements were based not upon facts but were simply repetitions of the various similar accounts, most of them fabulous, made by the early navigators and chroniclers. Before Drake's visit a Spanish account of the country contained this passage: "The soldiers of Vasquirus Coronatus having found no gold in Vivola, in order not to return to Mexico without gold, resolved to come to Quivera [one of the early names of the vaguely defined northern regions, including California], for they had heard much of its gold mines and that Tatarrahus, the powerful king of that country, was amply provided with riches." Between the years 1610 and 1680 more than twenty expeditions set out from Mexico to search for gold in the region which now comprises Arizona and California. And yet, until 1848, California had never produced any but the most meager amounts of the yellow metal which attracts the souls of men as potently as the magnet draws steel filings. Why it was not discovered before remains one of those mysteries which can never be adequately explained, despite the best efforts of professors of psychology, with all their elaborate experiments into the

problems of human attention and observation.

GOLDEN SECRET

William Heath Davis, whose book describing his own residence in California during the mission period contains a mine of information, said that the existence of gold in the Sacramento Valley and vicinity had been known to the Franciscan friars long before 1848. He and other chroniclers of the time unite in affirming that the knowledge was kept secret by the Franciscans, because they were acute enough to know that its knowledge would bring the Americans westward in such numbers as to overwhelm the Spanish influence and sweep away the work that to the Franciscans seemed more important than all the results that might flow from the discovery of gold. However that may be, when the discovery came the forebodings of the Franciscan fathers were amply justified, and San Francisco from being the most important of the religious stations in California became the focus of a new order of life and civilization. As Dr. Herbert F. Bolton of the University of California has shown, nearly all the movements of American migration and expansion, when graphically traced upon the map of the United States, tend to come together at the Golden Gate. Sir Charles Dilke, in 1866, pointed out as a result of his visit to San Francisco, his belief that London and New York were bound some day to be rivaled by the city by the Golden Gate.

Not only from the United States but from all the ends of the earth there came flowing into San Francisco a flood of hearty men, most of them youths or in the very prime of life, forceful and vigorous and supremely energetic. That a very large proportion of them were mere adventurers is true, and another large proportion did nothing with what gold they found but to dissipate it in mad orgies that have been the subject matter of novel, play and poems innumerable, and have given to the San Francisco of '49 an epochal atmosphere of orgy and wild adventure that has not yet faded out. The real makers of San Francisco and of California were not these wild spirits but the matter-of-fact,

practical men who also came with the gold rush—men of the type who even today are taking more gold from the mines of California than was ever taken in any year of placer digging; men who also, they and their descendants, developed other things than gold, and things more permanently productive: agriculture, trade, commerce, industry, literature and art. Indeed, the adventurers and the real pioneers were two entirely different sets of men. Although it is true that those early years in San Francisco were full of frantic excitements, reeking with fight and frolic, it should not be forgotten—rather, it is high time that we should learn, that the great majority of the men of '49 were steady, matter-of-fact New Englanders and Southerners and folk from the Eastern States generally, who worked all day long in the diggings, and turned in early at night to rest for the next day of toil. They had come West, young men all, but mostly steady young men, to win or to get money to pay off the mortgage on the farm back home; or to win a fortune, if possible; or, at the least, to earn an honest living. To be sure, they might be found, a few of them, and only sometimes, about the gambling tables at night, flirting with Mistress Chance, but usually they left the furious pace of wild dissipation to the motley ruck of adventurers, whose doings, of course, are always and everywhere more provocative of song and story than the calm conduct of sensible people.

Long after the merry men of dream and romance, who wanted to pick up their gold in fat, convenient chunks, but who did not want to break their backs over pick and shovel—long after these gentry had gone the usual way of their kind, by bullet, or arrow, or hangman's rope, or thirst and hunger in the desert—the level-headed, plug-away toilers were still plugging away. A few of them, mingling unusual shrewdness or extraordinary luck with their toil, became the usual headliners of success, as men count success, namely, the bonanza millionaires. But the great value of the gold rush was not in the creation of a few great fortunes, nor in the wild adventurings of the more reckless argonauts. Its best value consisted in the fact that it

brought to San Francisco at one stroke a population of the most vigorous, resourceful, healthy men and women that ever blessed a young country. Gold-hunting, after all, proved to be a merely incidental aspect of the greater task of creating the State of California, and crowning it with the City of San Francisco.

REAL PIONEERS' WORK

By the Summer of 1849 the necessity for orderly and legal administration of the city was apparent to those minds—of which there were many—that did not succumb to the delirium of gold. For a while no terms could be too strong to express the mad saturnalia in San Francisco. But it is equally true—and much more important—that among the pioneers were hundreds of men of fiber too good to be rotted by the golden leprosy; men who not only recognized that out of this misused treasure they could forge a key to unlock the doors of a vast and wonderful new State in the Union, but who believed that they were the men for the job. And so they were. California attests their work. San Francisco adorns it—the brightest jewel in the crown of their great achievement.

To the student of civilization hardly any State or any city in the Union can be more fascinating than California and San Francisco. Nowhere else perhaps has the one great social virtue of the American genius, namely, its instinctive aptitude for democratic organization, more clearly and triumphantly manifested itself than in California. Though the new population was cosmopolitan, it was the Anglo-Saxon element coming from New England and the Southern States which impressed the most characteristic institutions of Anglo-American civilization upon the fluid, cosmopolitan life in California. All sorts of other cultural influences played their part, in greater or lesser degree, and generally to the enrichment and the agreeable coloration of the social structure, but the fundamental lines were those laid down in the foundation of the nation; were those of the English common law, the outgrowth, these, of long centuries of evolution toward democracy. When California came into the Union she was charmingly adorned

with Spanish ribbons and gems, and her temperament was refreshingly and gratefully enlivened by many and diverse racial strains—the artistic Latin and the spiritual Celt and the virile Teuton and Scandinavian elements alloying the stiffness and the harshness of Puritanical Anglo-Saxonism; but her birth certificate, so to speak, was writ in accordance with the spirit and the letter of Anglo-American institutions. Perhaps nowhere else in the United States is the synthesis of all worthy racial qualities which is true Americanism more completely and successfully illustrated than in San Francisco.

This synthetic character, based institutionally upon the solid virtues inherent in the nature of Anglo-American democratic organization, has assumed in San Francisco a notable degree of originality, together with a solid self-assurance and a dashing, debonair manner. But this originality is expressed in the action rather than in the structure of the social organism; it is an originality in the way things are done rather than any decided newness of ideas. Consider, for great and memorable instances, San Francisco's earliest achievements in social action; the way she dealt with the nuisance of the "hounds," which action furnished the precedent for the formation of the Vigilantes later on; the manner in which the puzzles and perplexities of the mining situation were dealt with; the forming of the first city governmental organization, and the fashion in which California's admission into the Union was obtained by the men of San Francisco. Later instances of this practical genius for organization and achievement hardly need be recalled, as most of them are still so recent that they are fresh in our memories and need not be resurrected from the pages of history. The tragic year of 1906 is the supreme instance. Succeeding the sharpest stroke of earthquake California had ever known was the great fire which burned more than a third of the city. Yet within a few years the city was rebuilt in greater security and amplitude than before, and in addition to that San Francisco built the Panama-Pacific Exposition.

Cathode Ray a New Tool of Science

By WATSON DAVIS
Science Editor, Current History

TO the new tools of science there has been added the cathode ray. The rays themselves, which consist of rapidly moving electrons or particles of electricity, are fifty years old, but heretofore they have been confined within the X-ray tube where they are generated. Now they have been brought out into the world, thanks to the genius and skill of the man whose name will always be associated with the X-ray tube, Dr. W. D. Coolidge of the General Electric Company. What the future utility of the rays will be is problematical. They are not the materialization of the mythical death rays which rumor projects upon a fearful world with considerable regularity. Although the cathode rays in their enhanced power can kill bacteria and insects quickly and larger animals more slowly, the living organisms must be relatively close to the tube within which the rays are generated. Under the influence of the cathode rays crystals glow with "cold light," layers of wax become permanently electrified, and acetylene gas is made solid.

Dr. Coolidge has followed out a line of research commenced nearly fifty years ago by an English scientist, the late Sir William Crookes, who first investigated the cathode rays. These rays are obtained when a high voltage electric current is passed through a glass tube from which the air has been exhausted and into which there have been sealed two metallic electrodes, usually of aluminum. They consist of a stream of minute charges of electricity, or electrons, moving with a speed of thousands of miles per second. Though about thirty years ago a German physicist, P. E. A. Lenard, succeeded in getting the rays outside the tube in small quantities through a thin aluminum window, the new tube designed by Dr. Coolidge is the first with which they have been obtained with

great intensity outside the generating tube. It uses a window of nickel, five ten-thousandths of an inch thick and three inches in diameter, supported at the back by a grid of molybdenum, a very strong metal, to enable it to withstand the air pressure. This window is completely airtight, and is attached to the glass by a metal joint, so the tube is now for the first time capable of being sealed off from the air pump.

The new tube is about thirty inches long, and in the centre is a round glass bulb about eight inches in diameter. From this bulb projects the cylindrical tube at the end of which is the nickel window. In the centre of the bulb is a small electric light filament, which, when lighted with a low voltage, gives off electrons like the filament of a radio vacuum tube. Then, when a high voltage of about 350,000 is applied, these electrons are converted into cathode rays and driven to the end of the tube and through the nickel window with a speed of as much as 150,000 miles a second. Because the electrons are so much smaller than the atoms of which the window is made they can dodge between them and out into the open air, but the atoms of air are too large to squeeze through and into the tube. When the tube is operated, the air in front of it becomes luminous with a beautiful purple glow, extending for as much as two feet in front of the window, and partly behind it, because of the scattering of the rays by the air. Various crystals glow when placed in the path of the rays, and Dr. Coolidge has shown the effect on a crystal of calcite, a very pure form of marble, which shone with an orange light. Even after the current was turned off the crystal continued to glow, as if red-hot, but that it was cold can be demonstrated by handling it.

Dr. Coolidge also has demonstrated changes produced by the rays in various

chemicals. Potassium chloride, for instance, which is ordinarily white, turned purple, while the water clear crystals of cane sugar turned white. Castor oil becomes a solid under their influence, and he exhibited a yellowish powder obtained by exposing acetylene gas to the rays. This powder is unique, he stated, because no chemical has been found that will dissolve it. Just as a fountain pen becomes electrically charged when rubbed on a cloth, a disc of wax became charged when exposed to the rays, but unlike the fountain pen, the charge on the wax is permanent. On living organisms the rays have an effect similar to that of radium, for the so-called beta rays, one of the principal radiations of radium, are, like the cathode rays, rapidly moving electrons. Dr. Coolidge estimates that the tube gives off as many electrons as a ton of radium, which at present prices, and if it could be obtained, would be worth a hundred billion dollars. When a rabbit's ear was rayed over an area about the size of a dime for a tenth of a second, with a relatively small current, the skin became pigmented, as if sunburned, a few days later, and the hair dropped out, and not until seven weeks later did new hair appear. But when the ear was rayed with a more powerful current for a second, a scab formed, which dropped out, taking the hair with it. Two weeks later a profuse growth of snow white hair started and soon became longer than the original gray colored hair. When a third area was rayed for nearly a minute, a scab also formed, but when it dropped out, it left a hole, the edges of which became covered with the white hair. The rays kill insects and germs almost instantly, but the range of the tube is fortunately limited. With the highest voltages that Dr. Coolidge has used so far, the rays do not extend more than two or three feet from the window, and with the highest attainable this could not be increased to more than a few yards, which prevents the tube being used as a weapon of warfare.

EXPERIMENTS IN TRANSMUTATION

Throughout the ages the alchemist has held out the hope of changing the undesirable into the desirable. As the suc-

sor to the mystic of the Middle Ages there is the modern chemist working in new fields where physics and chemistry meet. Already transmutation has been claimed by a number of investigators, and in one case at least the scientific world generally accepts the fact that transmutation has been accomplished. Sir Ernest Rutherford, the British chemist, a decade ago knocked H (standing for the chemical element hydrogen) out of many of the lighter elements, including nitrogen, boron, fluorine, sodium, aluminum and phosphorus. Recently German and Japanese chemists have claimed that they have changed minute quantities of mercury into gold, a close approach to the medieval attempts to change base lead into valuable gold.

There has been another tantalizing possibility placed before the chemical world by the development of the new theory of the constitution of matter. The atom of helium, that inert non-inflammable gas which has been made to hold America's dirigibles aloft, is, according to theory, made up of four atoms of hydrogen. But the atomic weight of four atoms of hydrogen is slightly more than the atomic weight of one atom of helium, and it is therefore believed upon theoretical grounds that if four atoms of hydrogen could be made to combine into one atom of helium there would be released a large amount of energy, which might be put to beneficent or destructive use. For this reason the report from Berlin that Professor F. Paneth and Dr. K. Peters of Berlin University have succeeded in transmuting hydrogen into helium has peculiar interest. The transformation of hydrogen into helium involves theoretically a loss of weight of eight-tenths of one per cent. The matter so destroyed would be transformed into energy and pass off as rays of light and heat. Such an annihilation of energy would produce an enormous amount of heat. According to some modern astronomers the rays of the sun and stars originate in such decomposition of matter. In the Berlin experiment no evolution of energy was observed, either because the heat was too small to be noticed or because it passed off in the form of radiation of extremely short wave lengths, like the penetrating rays com-

ing from the sky which have been studied by Kohlhoerster and Millikan.

The metal palladium was the agent that effected the transmutation. Palladium is a rare and heavy metal, similar to platinum, and has in a spongy state the peculiar property of absorbing a thousand times its volume of hydrogen gas. The hydrogen when so condensed in the pores of the finely divided metal is in an unusually active condition, perhaps because the hydrogen, which ordinarily consists of atoms joined together in pairs, is here broken up into separate atoms which then unite eagerly with atoms of other elements such as oxygen. This reaction is so quick that a tiny bit of palladium put into a mixture of hydrogen and oxygen will explode it and form water. If the conclusions of Paneth and Peters are correct, then the hydrogen atoms condensed by palladium have also the ability to unite with one another in groups of four, which constitutes the helium molecule. They passed a stream of hydrogen gas over palladium in the colloidal state in which form the maximum amount of surface is exposed, and after twelve hours of absorption they detected the main lines of the helium spectrum. As longer time elapsed the lines increased in intensity. It would require an enormous length of time to produce a sufficient quantity of helium to be isolated and analyzed, but by using an extremely delicate spectroscope the amount of helium formed artificially by this process was estimated to be from one to ten thousand millionths of a cubic centimeter.

SYNTHETIC SUGAR

More important from an immediately practical standpoint are the transformations that chemists are making with chemicals that are more complex than the elements. Sugar cane and sugar beets are the conventional sources of sugar, but in Germany a process for manufacturing sugar out of wood was worked out in the laboratory of Dr. Friedrich Bergius of Heidelberg University and it has now reached a state where it may be utilized in industrial production on a large scale. A large factory to carry out the process is being erected near Geneva, Switzerland, by the

International Sugar and Alcohol Company of London. It is estimated that an acre of forest land can be made to yield as much sugar as an acre of ground planted to sugar beets, and the new process has the advantage in that it can be carried out completely and continuously by machinery without the employment of the manual labor and the length of time necessary for crop production. The synthetic sugar, however, is not the same as the sucrose made from beets or cane, but is rather like the glucose now made in America by the action of hydrochloric acid on cornstarch. Glucose is not so sweet as sugar but is equally nutritious. The product of the Bergius process comes out in the form of a greyish powder, containing 95 per cent. sugar. This can be used directly for cattle food or be purified for human use.

The process consists essentially in adding a molecule of water to each molecule of the cellulose of the wood pulp, which converts it to glucose. This is accomplished by treating sawdust with 40 per cent. hydrochloric acid in containers specially constructed of acid-proof and heat-proof materials. Earlier efforts to effect this transformation economically were frustrated because the acid was used in dilute solution, and afterward, in driving off the excess of water, much of the sugar decomposed. In the present process the acid is recovered in concentrated form ready for renewed use without the expense of distillation. The necessary heat to evaporate the water from the mixture is introduced by the injection of hot vapors of mineral oil. This does not absorb the volatile acids and does not mix with the sugary solution, but floats as a layer on top and so can be easily separated. The oil is reheated and run in with more of the sugar cellulose solution. The Bergius process for synthetic sugar was patented in the United States on July 28, 1926.

CATALYTIC PROCESS

Coal is made of the same stuff as diamonds. In the past every one felt sure that it was of such low value that it was only good to burn. Now chemists are finding that coal can be put to better use as a raw material for making more valuable com-

modities. It was an achievement when the discovery was made that by smashing up the big molecules in petroleum and making them into little ones the heavy oils could be broken down into light oils. This "cracking" process was regarded as a great achievement in its day and brought fame and fortune to its inventor; quite rightly, since we could be running few automobiles without it. But the world is passing into another era now, the age of synthesis, when the chemist will build up instead of down. Starting with the commonest and cheapest materials, air, water and coal, the chemist can construct at will all sorts of valuable compounds for which we formerly had to rely upon nature. The veteran French chemist Professor Paul Sabatier of Toulouse, recently on a visit to America, opened the door to this new era with the key called "catalysis." Shortly before the century closed he found that hydrogen gas could be made to unite with carbon monoxide gas in the presence of finely divided nickel and produce methane, well known as natural gas. Now these two constituents, hydrogen and carbon monoxide, are easily made by passing steam over red-hot coal, the "water-gas" process. Many other metals and compounds have since been found to act like nickel as a catalyst, that is, they speed up a process by their presence without being used up or appearing among the products. This principle has of late been applied with remarkable results by a countryman of Sabatier, General Georges Patart, and still more extensively in Germany by Professor Franz Fischer, director of the Institute of Coal Research at Muelheim-Ruhr, and Dr. Friedrich Bergius of Heidelberg.

Here in America methanol has been made by the old-fashioned method of distilling wood, but now the Badische Chemical Company makes ten to twenty tons of it a day from water gas at a cost of only 20 cents a gallon. Methanol, formerly known as "wood alcohol," has long been employed in all countries as a denaturant for industrial alcohol, and has caused many cases of blindness in Germany and America by being used for whisky by those who were already so blind as not to tell one alcohol from another. Various other al-

cohols, such as butyl alcohol, made in America by fermenting corn and used for automobile lacquers, are made in Germany from water gas. The waste gases that in some sections of the United States are still allowed to escape from coke ovens unused are at the mines of Bethune, France, cooled and condensed and utilized for making methane, benzene, ethyl alcohol and ammonia. Owing to the catalytic process for synthetic ammonia invented by Fritz Haber, Germany is now exporting fertilizer instead of importing it as before the war. About 425,000 tons of free nitrogen from the air is now fixed for fertilizers by catalysis every year, and this takes the place of 2,700,000 tons of Chilean nitrate. Benzene, which can be made from coal in various ways, is the mother substance of the aromatic family of chemical compounds, a family of over a hundred thousand and rapidly growing. Among these are the aniline dyes and drugs that have made the world brighter and safer in our generation. One of these synthetic products, carbolic acid, is familiarly used as an antiseptic and is nearly as useful but much less familiar as one of the two components of bakelite. The other component, formaldehyde, is also an antiseptic and also made artificially. The chief stimulus to such investigations in Europe is the search for home-made motor fuel. We Americans are not interested in this question now, but some day we shall be, and meantime it is interesting to watch the chemists over the water trying to see how many different things they can make out of common coal.

FIRST ENZYME ISOLATED

Catalysts, those substances that act as "promoters" in the chemical world, are not confined to bringing about reactions in new processes that have produced astonishing products from coal and captured nitrogen from the air. Under the name of enzymes they take part in animal and vegetable life. The isolation and crystallization of the first enzyme has been achieved by Dr. James B. Sumner, assistant professor of biological chemistry at the Cornell Medical College. Success came only after a period of research covering nearly nine years. The enzyme isolated is

known as urease and occurs in the jack bean, in the soy bean and in a great many kinds of bacteria. It has been found in the horseshoe crab and in the lining of the stomach. Urease is important in the cycle of nitrogen because it converts the urea that is produced by animals into ammonium carbonate, which is used by the plant, usually after conversion to nitrates by bacteria. Chemists have been attempting to purify enzymes for nearly a century, but up to the time of Dr. Sumner's discovery no enzyme had ever been prepared in pure condition and the chemical nature of enzymes was entirely unknown. Indeed a prominent worker in this field, Dr. Richard Willstatter of Germany, recently declared that the enzymes belong to no known group of chemical substances.

An enzyme, the word meaning "in yeast," is a substance elaborated by plants, animals or micro-organisms that accelerates chemical reactions without itself being used up in the process. The enzyme is a catalyst of a special sort. It is extremely unstable and of colloidal nature. These are the chief reasons why the isolation of an enzyme has been considered an almost impossible task. Enzymes are sometimes called ferments, because they cause fermentation. Of the great number of enzymes found in living cells a few examples are: zymase, which is present in yeast and which is responsible for the alcoholic fermentation of saccharine liquids; rennin, which is obtained from the stomachs of calves and which is used in the manufacture of cheese; pepsin, which is present in the gastric juice and which digests meat; and thrombin, which is necessary for the coagulation of blood. Urease has been prepared by Dr. Sumner as octahedral crystals that are slightly larger in diameter than human red blood corpuscles. The crystals are protein and belong to the class known as globulins. They are able to transform their own weight of urea into ammonium carbonate every 1.4 seconds at room temperature. The isolation of urease has opened up new fields for research and is expected to aid in the solution of many problems of the chemistry of enzymes and to lead to the isolation of still other enzymes.

CELLULOSE SAUSAGE CASINGS

To join the ranks of chemical wonders there now comes the artificial sausage casing, made from material that is first cousin to rayon. The cellulose sausage casings are the outcome of several years of research on the part of William F. Henderson and Harold E. Dietrich at the Mellon Institute for Industrial Research. Animals from all over the Orient furnish the coverings for sausages as we have always known them. The source of supply has been more or less irregular, while the expense of hand labor and difficulties of handling and cleaning, particularly the latter, have made a satisfactory artificial casing extremely desirable. The fibres pulled off cotton seeds, treated with chemicals as in the viscose process, are the source material of the new product. Machinery has been developed at the Mellon Institute which has demonstrated that thin, semi-transparent tubes can be turned out in lengths and sizes to fit any sausage or wiener at a moderate price. They are used dry and will keep any length of time, an advantage not possessed by the animal variety, and can be stuffed with sausage "makings" much more rapidly than the old ones. The inventors declare that "the sausages packed in cellulose containers are perfectly comestible and may be cooked in any manner and eaten with no difficulty."

NEW FOSSIL SKULL

From out of the dim past of half a million years ago a brother to man's oldest ancestor, *Pithecanthropus erectus*, the ape man of Java, has appeared. From the same site beside the Solo River at Trinil in Central Java where Dr. Eugene Dubois in 1891 found the famous remains of *Pithecanthropus*, another ancient fossil skull was recently unearthed by natives and came into the possession of Dr. C. E. J. Heberlein, physician in the Dutch civil service. It is described as a damaged cast in spongy stone of volcanic origin. The appearance of the object indicates that volcanic ashes and mortar settled around the skull and in time the bones disappeared, leaving a cast. The bone of the cranium is almost completely dissolved by sulphuric acid from the lava.

CURRENT HISTORY—PART II.

By the Board of Current History Associates

International Bankers' Move Against Trade Barriers

By JAMES THAYER GEROULD

Librarian, Princeton University

THE Bankers' Manifesto has brought the old question of the economic determination of history squarely within the field of practical politics. Is it not possible, the signers ask, that nationalism and parochialism may yield before a movement which will promote the economic welfare of all Europe?

This manifesto, signed by a group of the leading bankers and industrialists, representing sixteen countries, including the United States, was published on Oct. 20. It is an appeal to the nations of Europe to tear down the barriers created by tariffs, special licenses, prohibitions and other artificial restraints of trade and to allow commerce to flow in its natural channels, unimpeded. The text is as follows:

A PLEA FOR THE REMOVAL OF RESTRICTIONS UPON EUROPEAN TRADE

We desire, as business men, to draw attention to certain grave and disquieting conditions which, in our judgment, are retarding the return to prosperity.

It is difficult to view without dismay the extent to which tariff barriers, special licenses and prohibitions since the war have been allowed to interfere with international trade and to prevent it from flowing in its natural channels. At no period in recent history has freedom from such restrictions been more needed to enable traders to adapt themselves to new and difficult conditions. And at no period have impediments to trading been more perilously multiplied without a true appreciation of the economic consequences involved.

The break-up of great political units in Europe dealt a heavy blow to international trade. Across large areas, in which the inhabitants had been

allowed to exchange their products freely, a number of new frontiers were erected and jealously guarded by customs barriers. Old markets disappeared. Racial animosities were permitted to divide communities whose interests were inseparably connected. The situation is not unlike that which would be created if a confederation of States were to dissolve the ties which bind them, and to proceed to penalize and hamper, instead of encouraging, each other's trade. Few will doubt that under such conditions the prosperity of such a country would rapidly decline.

To mark and defend these new frontiers in Europe licenses, tariffs and prohibitions were imposed, with results which experience shows already to have been unfortunate for all concerned. One State lost its supplies of cheap food, another its supplies of cheap manufactures. Industries suffered for want of coal, factories for want of raw materials. Behind the customs barriers new local industries were started, with no real economic foundation, which could only be kept alive in the face of competition by raising the barriers higher still. Railway rates, dictated by political considerations, have made transit and freights difficult and costly. Prices have risen, artificial dearness has been created. Production as a whole has been diminished. Credit has contracted and currencies have depreciated. Too many States, in pursuit of false ideals of national interest, have imperiled their own welfare and lost sight of the common interests of the world by basing their commercial relations on the economic folly which treats all trading as a form of war.

There can be no recovery in Europe till politicians in all territories, old and new, realize that trade is not war but a process of exchange, that in time of peace our neighbors are our customers, and that their prosperity is a condition of our well-being. If we check their dealings their power to pay their debts diminishes and their power to purchase our goods is reduced. Restricted im-

ports involve restricted exports, and no nation can afford to lose its export trade. Dependent as we all are upon imports and exports, and upon the processes of international exchange, we cannot view without grave concern a policy which means the impoverishment of Europe.

Happily there are signs that opinion in all countries is awaking at last to the dangers ahead. The League of Nations and the International Chamber of Commerce have been laboring to reduce to a minimum all formalities, prohibitions and restrictions, to remove inequalities of treatment in other matters than tariffs, to facilitate the transport of passengers and goods. In some countries powerful voices are pleading for the suspension of tariffs altogether. Others have suggested the conclusion for long periods of commercial agreements embodying in every case the most-favored-nation clause. Some States have recognized in recent treaties the necessity of freeing trade from the restrictions which depress it. And experience is slowly teaching others that the breaking down of the economic barriers between them may prove the surest remedy for the stagnation which exists.

On the valuable political results which might flow from such a policy, from the substitution of good-will for ill-will, of cooperation for exclusiveness, we will not dwell. But we wish to place on record our conviction that the establishment of economic freedom is the best hope of restoring the commerce and the credit of the world.

The signers represented all the European States except the Baltic group, Russia, Spain, Portugal, Yugoslavia and Turkey. Among the American signatories was J. P. Morgan. The French and Italian representatives affixed their signatures with a statement of clarification and reservation. The French statement read:

The undersigned, fearing that certain passages of this manifesto might be subject to differences of interpretation, desire to set out precisely the points on which they are in agreement.

They are of the opinion that the state of instability and of economic disorder with which the European countries are contending at this time had its origin in the consequences of the war and particularly in the monetary crisis which resulted from it. They are of the opinion that in order to prevent a disquieting situation becoming worse it is necessary above all else that the countries in which currency has not yet been stabilized should move with all possible speed toward a sound currency. These countries can do this all the more easily if the economic relations among the nations are re-established on a normal basis favoring commercial exchanges.

They are of the opinion in this connection that

the high rates or the excessive rigidity of certain tariff systems, the exaggerations direct or indirect of protectionism, of discrimination or of preferences, the obstacles put in the way of international transactions by restrictive transport regulations should be condemned.

They declare themselves therefore in favor of all measures which tend to suppress such artificial barriers which stand in the way of a free return to the economic relations among the nations which prevailed before the war.

They are indeed not able to forget that it is impossible for any modern State to live and prosper without maintaining commercial relations with other States and that by reason of the close interdependence among the nations it is only by a mutual exchange of services, credits and merchandise that the economic equilibrium of the world can finally be obtained.

The Italian statement follows:

The undersigned, while signifying their agreement with the spirit which has dictated the above manifesto, wish to place on record that had it been possible for them to cooperate in the framing of the document, they would have preferred to give a different and more precise form to some of its passages. Above all, they would have liked that criticism should have been exercised not only as regards the excessive height of customs tariffs and the rigidity of customs regulations in force in some countries, but also in respect of all the numerous forms of direct or indirect protection, discriminations or preferences, artificial subsidies and restrictions on emigration. With such reservations they willingly subscribe to the manifesto.

During the period of nationalistic hysteria that followed the war, there grew up a system of tariff restrictions that attempted to give artificial stimulation to national industry and, incidentally, to provide revenue for depleted treasuries. The European agriculturist or manufacturer seeking a market must reckon with twenty-six different systems within that area alone.

A table of ad valorem index figures, prepared by Sir Clive Morrison Bell, rates the tariff of Great Britain and the Netherlands at 6, of Denmark at 7, of Belgium and Portugal at 8, and those of France, Germany, Norway and Sweden at from 12 to 15. Austria has 16; Rumania, 18; Bulgaria, 19; Poland, 23; Yugoslavia, 25; Hungary, 27; while Spain and Russia head the list with 35 and 43 respectively.

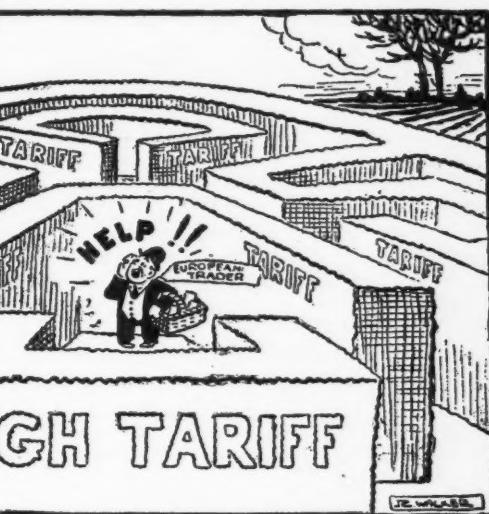
The situation that has resulted is too well known to require analysis. The boundaries created by the Peace Conference cut squarely across established trade routes and deprived industry of its natural markets. In countries side by side there are surplus products that cannot be exported and a scarcity of others plentiful across a frontier a few miles away. Artificially stimulated industry is attempting unsuccessfully to meet market

conditions that, with freedom of exchange, would never have arisen. "Present-day Europe," says a recent writer, "is a desperately hard course to play over, the number of bunkers with which its surface has been bestrewn being altogether out of proportion to its total area."

This condition differs in no material particular from that which, in the last years of the eighteenth century, brought us near to civil war. Then each of the States in our confederation had its own tariff laws, and vegetables grown in New Jersey had to pass through the New York Custom House. The Constitution changed all that, and it is safe to say that our freedom from internal tariffs is responsible in large measure for our peace and prosperity.

It was the Zollverein of the '30s, by its establishment of uniform customs throughout the German States, which made possible, a generation later, the formation of the German Empire.

The Manifesto is in no sense "a bolt from the blue," though it has been greeted as such by a section of the American press. The idea is as old as Cobden. "I utterly despair," he wrote in 1859, "of finding peace and harmony in the efforts



THE EUROPEAN MAZE

—Cardiff *Evening Express*

of Governments and diplomatists. The people of the two nations [England and France] must be brought into mutual dependence by the supply of each other's wants. There is no other way of counteracting the antagonisms of race and language."

GROWTH OF LOW TARIFF DEMAND

During the last four years the demand for the lowering of the tariff barriers has steadily grown in strength. At the congress held by the International Chamber of Commerce at Rome in March, 1923, it was given a major place among the resolutions; and since that time committees of the Chamber have been active in promoting it. Their own manifesto regarding the subject was quoted in our August issue (p. 775). On the day following the issue of the Bankers' Manifesto their council adopted a report, prepared by the Trade Barriers Committee, advocating greater freedom of trade.

An International Conference on Customs was held, under League auspices, in Geneva in November, 1923. The subject is now being discussed by committees of the Preparatory Commission for the coming Economic Conference, soon to be summoned by the League; and without any

question it will furnish the substance of their agenda.

The present document has been under discussion for months and was doubtless known to our financial authorities for some time previous to its issue. Some of its critics, in their comments on the Manifesto, seem completely to misinterpret its essential quality. It is the statement of a principle rather than the presentation of a program. Nowhere does it advocate the immediate and wholesale establishment of free trade. When an individual or an industry is suffering from an undue consumption of stimulants, it is seldom wise entirely to withdraw the supply at once. A period of readjustment is necessary. The economic structure is so delicate in its adjustment that sudden and violent changes spell disaster. The policy that the signers of the Manifesto have in mind is one of gradual approach toward a desired goal.

Except by implication, the Manifesto deals only with European conditions; though opponents of our own tariff system are prompt to assert that the principle enunciated has a wider application, and that a policy universally admitted to be so successful within our own borders, and which so stout a protectionist as Secretary Mellon agrees will be a good thing for Europe, is not without its bearing on our own situation. It is contended, as well, that should the union be realized without our inclusion within it, there will result two great and mutually hostile economic areas, and a conflict between Europe and America that may be serious to the last degree. Europe has no love for "Uncle Shylock." However unjust or mistaken the appellation may be, the hostility exists, and it is not to be alleviated by repeated doses of American subscriptions to European bond issues. No debtor ever loved a creditor, nor is likely to.

The comment of the European press runs the whole gamut from enthusiastic approval to equally fervent hostility. In general, the nationalists reject the theory as something anathema, while the liberal elements hail it as the dawn of a new day. Germany, Austria and England, highly industrialized countries, look on it with more

favor than do France and Czechoslovakia, where a large share of the wealth comes from agriculture. The newly created States, though they are the greatest sufferers from the present policy, seem generally to oppose it. Poland, for example, is said to resent the implication that her boundaries and tariffs are a menace to European economic health. The best they can say of it is that it may be the only way of escape from American economic thrallldom.

French opinion, as expressed in the newspapers, seems, for the most part, critical or hostile. Whether the sentiments they express represent the country at large can be determined only when France has chosen between Briand and Poincaré. Fascist Italy can scarcely be expected to endorse a doctrine so antagonistic to the nationalistic spirit. Primo de Rivera expresses his violent dissent.

On the other hand, economic as distinguished from political opinion, in so far as they can be separated, seems generally to approve "in principle"; but this is very far from saying that it would unite on any specific program for putting the plan into operation. Only within very narrow limits can facts and figures, realities, if you will, be said to control the world. Unless, perhaps, passions and emotions are as much realities as are dollars and tons of steel. The statesman must deal with them both.

AMERICAN VIEWS—SECRETARY MELLON'S STATEMENT

The reception of the Manifesto in this country has depended on the degree of the writer's commitment to the protective policy. Democratic and independent papers generally agree that the proposal would be a good thing for Europe, and most of them would extend the application of the principle to this country. They believe that, if we are to sell our goods in Europe, we must buy theirs in exchange; and that, if the foreign debt is to be paid, it must be in goods. Some Democratic editors are a bit shocked to find that they have as bedfellows those dangerous persons known as "international bankers." The Republican papers, with a few noteworthy exceptions, follow the Administration in its view that, however valuable such a doctrine may be

for European consumption, conditions in our own country are so different that the argument can have for us no international application. The spectre of the pauper labor of Europe is conjured anew to frighten us. Secretary Mellon, with his usual clearness, stated the position of our Government in a communication which appeared in the press on Oct. 25. Its text follows:

There has recently appeared in the press of the world a "plea for the removal of restrictions upon European trade," signed by many bankers of the European countries and some of the bankers of this country, stating that tariff barriers, special licenses and prohibitions imposed in Europe since the war interfere with international trade and prevent its flowing in natural channels and should be removed.

The fact which gave rise to this situation is the break-up of the old political units and the rearrangement of the Continent along ethnical and not commercial lines. For example, the Austro-Hungarian Empire was a commercial, manufacturing and agricultural whole. Today Austria, with its plants, banking facilities and railroads, is cut off from both its markets and its sources of raw material. We have a brain without a body.

It is just as if we should make New York City with the southern portion of New York State and the States of Connecticut and Rhode Island a separate country. The city would be too large for the territory which it could reach, and the rest of the United States would be deprived of that intensive manufacturing and financial centre.

The situation in Europe since the war is different from the situation in America. The two would only become comparable if we should consider each of the forty-eight States a separate nation, each having its own tariff, its own currency and its own language. Under such conditions the industrial power of the United States must and would end.



"This European Bolshevism Would Like to Get Our Goat."
—Adams Service.

What the plea of the bankers seeks to accomplish in its final analysis is not a change in the world but to bring about in Europe a condition similar to that in the United States. It is not criticism of us, but emulation.

Nevertheless, our public thought and some of our press argued that because artificial barriers hinder readjustment in Europe we must change our tariff policy; but one cannot take a policy which is essential to the relief of Europe, under conditions arising out of the war, and say that this policy is proper for the United States, unless it can be established that conditions are the same. Conditions are not the same.

The purpose of the policy in Europe is to provide a territory large enough to contain raw materials, manufactures and a market, so that industry may function where coal and iron and laborers are convenient, and food may be produced where conditions for its production are favorable. No such limitation exists in the United States. We do not have to put a steel plant in

Kansas or grow wheat around Gary, Ind. We have one transportation system; we speak one language, and we have one kind of money among 120 million people in an area the size of most of Europe outside of Russia.

But there is a still greater distinction between Europe and the United States. It is true there are different nationalities and different languages on the Continent, but, generally speaking, the standard of living among the principal nations abroad is about on the same level, just as the standard of living of the people of the United States is about the same, whether residents of Texas, Minnesota, Massachusetts or California. But the standard of living of Europeans is quite different from the standard of living of the United States. Unless we are willing to bring our standard in America down to the level of that of Europe, we cannot consider a change in our tariff, however desirable such a change may seem to Europe.

Our tariff policy has been mainly responsible for the development of manufacturing in America. Our tariff policy has brought to labor the highest real wages in history. The development of manufacturing has been accompanied by improved methods and quantity production, and we have been able to make and distribute at a relatively low price, considering the high cost of labor. In many lines we more than meet foreign competition with its low labor costs. In turn, high wages have created a great consuming population, which has been the principal factor in our reaching quantity production and thus low costs. A study of the industries in this country shows a very small margin of profit per unit and large profits in the aggregate possible only through large turnover. These reasons, I think, account for the present exceedingly prosperous condition generally of our country.

Again, as I have said, the statement appears to be directed to European and not American conditions. Still, the appearance of the statement has been the occasion for an attack on American policies upon the assumption that our tariff is harmful to the restoration of world prosperity. I should like, therefore, to state my views on American tariff policy.

When the present tariff measure was in process of enactment it was freely predicted that its passage would seriously restrict foreign trade, particularly import trade. Some extremists contended that the proposed rates were prohibitive and would result in a virtual embargo on commerce. The tariff law has now been in operation for four years and its influence on commerce is no longer a guess.

With disregard of the facts, statements are still being made that foreign countries at the present time are unable to sell in the American market.

This is not a fact. During the fiscal year which ended June 30, 1926, merchandise with a total value of nearly four and a half billion dollars was imported into the United States. With due consideration to unit values, this represents a larger volume of imports by a very considerable margin than had ever been brought to the United States in any preceding twelve-month period.

The trend of trade during the past few years convincingly confirms the contention that the volume of imports is controlled by the purchasing power of the nation, rather than the rate of import duties assessed. An unparalleled combination of high wages and industrial activity has raised the purchasing power of the people of the United States to new high levels, which has brought about increased consumption of commodities of practically every description. A study of the consumption of the more common commodities in the United States, in comparison with the total world production, shows what America means to the rest of the world.

During the calendar year 1925 the world production of coal amounted to 1,500,000,000 tons. The United States' consumption of coal amounted to 566,000,000 tons. In other words, with slightly over 6 per cent. of the world's population, the United States has consumed 37 per cent. of the total world's coal production. In pig iron the percentage of world production consumed in the United States was 48, in copper 46, in rubber 75, in coffee 51, in petroleum 75, in tin 52, in raw silk 77 and in nitrate 48. British India exported during the fiscal year ended March 31, 1925, 42,000,000 pounds of shellac. Of this total, 21,000,000 pounds entered the United States. Shellac is an almost exclusive product of British India, and 50 per cent. of the total exports found their way to the United States.

OUR HIGH PURCHASING POWER

That the 6 or 7 per cent. of the world's population who live in continental United States should supply a market for such large proportions of the world's total production of principal commodities is a consideration of greatest importance to the world's commerce, industry and the employment of labor. No economic survey of world conditions can reach correct conclusions unless this major factor—the high purchasing power of the United States—is taken into account and its effect intelligently understood.

Whether the economic policies of the United States, our industrial activity and prosperous conditions are of benefit to foreign countries can best be determined by analyzing the possible effect on other nations of a reduction of the per capita consumption of commodities in the United States to the world average. If, for example, the consumption of rubber in the United States

should be reduced to the world average, it would mean that there would be no market for more than 50 per cent. of the world's present production. It would mean bankruptcy to certain dependencies whose livelihood is predicated almost exclusively on the rubber industry.

A reduction in the consumption of coffee in the United States to the world level would wipe out the market for some 40 per cent. the world now produces and would cause great financial losses to Brazil. A reduction in the consumption of sugar in the United States to the world level would bring financial ruin to Cuba, and likewise a reduction in the consumption of wool would adversely affect Australia. As the United States' consumption is 77 per cent. of the world's production of raw silk, a reduction in the consumption of raw silk to the world's per capita average would destroy the market for 70 per cent. of the silk produced.

A reduction in the consumption of nitrate in the United States would injure Chile, and a reduction in the United States in the use of shellac would cause financial reverses in British India. American money going to Japan for the purchase of silk, to Brazil for the purchase of coffee, to Cuba for the purchase of sugar, to Chile for the purchase of nitrate and to British India for the purchase of shellac enables these countries to increase their purchases from European countries, as well as the United States.

An individual out of employment, generally speaking, is without purchasing power and is a detriment, rather than an asset, to his community. Likewise, a nation out of employment is a detriment to the rest of the world. Conversely, a man well employed reflects prosperity and is a benefit to his community; and a nation well employed re-

flects prosperity on other countries. Pre-eminently the United States is prosperous and by furnishing a market for such amazing proportions of what the world produces is reflecting prosperity on other nations. A fair survey of facts cannot lead to a conclusion other than that the economic policies of the United States, and their resulting industrial activity and prosperity, have played a leading rôle in aiding the world to recover from losses and damage wrought by the war.

The tariff law of Oct. 3, 1913, materially reducing import duties, did not become effective as to all its schedules until Jan. 1, 1914, and early in August the outbreak of the World War caused a disruption of commerce. Therefore, the act of 1913, uninterrupted by war conditions, was in



The Business Man to Europe: "Get rid of trade barriers, dear lady, and the world is yours."

Glasgow Evening Times

operation for a period of but seven months. A comparison of imports during the seven months ending July 31, 1914, with the seven months ending July 31, 1926, is as fair a comparison as can be made of the effect of the two laws. While imports in general have materially increased during the lapse of twelve years, the kinds of imports, rather than the quantities, are of most interest in a study of foreign trade.

In 1914 there was much unemployment, and, compared with this year, the purchasing power of the nation was materially reduced. The value of imports of crude materials for use in manufacturing during the seven-month period in 1914 was less than \$400,000,000, while during the corresponding months of this year the value of this group of imports was \$1,120,000,000. In 1914 this group was 34 per cent. of the total, and although the total imports have more than doubled, this year the imports of this group constitute 42 per cent. of the total importations.

The use of large quantities of crude materials is the necessary result of industrial activity and indicates healthy industrial conditions. In 1914, partly manufactured articles for further use in manufacturing amounted in value to \$180,000,000, or 15 per cent. of the total, while this year this group of imports were valued at \$480,813,000, or 18 per cent. of the total. This increase was an incidental also to increased industrial activity. Manufactured foodstuffs in 1914 made up 14 per cent. of the total imports, while this year the percentage is 9; and of other finished manufactures the percentage in 1914 was 22, and 18 this year. Finished manufactures, generally speaking, are competitive products, and the relatively large imports of 1914 without question served to aggravate the unemployment situation then existing.

In the light of experience, the contention cannot be sustained that reduced duties on competitive products would increase the aggregate quantities of all things consumed in the United States. On the other hand, the evidence is most convincing that the converse would obtain. Assuming that temporarily the importation of competitive products would increase with reduced duties, and that the consumption of such commodities in this country would not increase but would decline, it would mean but one thing and that is that American labor would be deprived of making these commodities to the extent of the increase in the imports plus the decrease in consumption. The decrease in consumption and the increase in imports would all be at the expense of American industry—it would be at the expense of the purchasing power of this nation and eventually would reduce this country's purchases of foreign products, whether competitive or non-competitive, dutiable or free.

Under the present law, generally speaking,

competitive articles are dutiable and non-competitive articles free of duty. While imports are steadily increasing, the increases are in the duty-free or non-competitive products. For instance, dutiable imports in 1926 were about one and one-half billion, about the same as in 1924, but free imports increased in the three years from two billion to nearly three billion dollars.

Under our present American policy, foreign countries are able to sell the United States increasing quantities of the class of things the United States does not produce. As a whole, these increased imports are of a kind that supply the needs of this nation's industries and not the kind that injure such industries by displacing what they produce.

No doubt, to those who have been misled into the belief that at present foreign countries cannot sell to the United States, the statement that during the fiscal year 1926 no less than 65.2 per cent. of the total imports were free of duty is a distinct surprise, and the fact that in 1926 imports free of duty exceeded the total of imports both dutiable and free of the year 1914 by more than 60 per cent. is a revelation.

It is apparent that reduced tariff rates would materially change the kinds of imports and the percentages of the various wheat groups to the totals, but it is anything but apparent that the totals would be increased, and there is much to indicate that the totals would decline. It is a fallacy to assume that reduced import duties will enable this country to increase its purchases abroad, for the measuring stick is the nation's purchasing power and not the amount of duty assessed.

With business activity and high wages the United States will continue to be of great economic benefit to other nations; but any economic policy that will occasion unemployment in the United States and reduce its purchasing power will diminish this country's consumption of commodities and cause large surpluses of the world's principal products and result in serious financial losses to them.

A cut in the tariff would materially reduce rather than increase our purchases abroad; it would not enable foreign countries to sell more in the American markets, but would prevent them from selling as much; it would not help certain foreign nations to recover from the losses occasioned by the war, but would retard such recovery.

Consider again what our tariff policy has meant to American labor. I know personally of one manufacturing company which has plants in France, in Brazil and in the United States. The wages paid labor today at these three plants reduced to American currency are as follows: Unskilled labor gets in France 7 1-2 cents an hour,

in Brazil 12 1-2 cents; in this country 40 cents. Skilled labor 10 1-2, 21 and 65 cents respectively. In other words, a laborer in this industry gets six times more per hour in America than he does in France for the same kind of work. Can it be to the interest of the United States that equality be established by the removal of the protection of the tariff?

As an example I might cite the case of the Aluminum Company of America. The raw product of aluminum is bauxite, deposits of which occur in the United States, in British Guiana, and in many other countries of the world. The principal cost of the manufacture of aluminum is electric power and labor. The cheapest power in the world is hydroelectric; the cheapest labor is foreign.

The Aluminum Company has many power properties in the United States, but others in foreign countries, and the largest power of all is now being developed in Canada. From its plants in the United States the American market is supplied; from its plants abroad the foreign market is supplied. If the present tariff on aluminum is maintained, developments for the expansion of

domestic business will be made in the United States.

If the tariff be removed, those developments will occur in foreign countries and part of the American market be supplied from abroad. The effect of removing the tariff on aluminum would not in the least be to hurt the Aluminum Company, but to deprive the United States of the benefit of enlarged manufactory here. Less capital will be invested here and less labor employed.

The same condition holds true of a great many other large manufacturing industries in the United States. If the tariff is taken off, a larger share of manufacturing will be done abroad, where the costs are less.

The United States is the largest customer in the world today. If we were not prosperous and able to buy, Europe also would suffer. It is inconceivable to me that American labor will ever consent to the abolition of protection, which would bring the American standard of living down to the level of that in Europe, or that the American farmer could survive if the enormous consuming power of the people in this country was curtailed and his market at home destroyed.

Republican Control of Congress Weakened by Elections

By WILLIAM MacDONALD
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TWO national issues, the first the party control of the Senate and House of Representatives in the Seventieth Congress (1927-29), and the second prohibition, took precedence of others in the elections which took place on Nov. 2 in every State except Maine. The choice of members of the two houses of Congress would naturally be interpreted as an expression of national opinion regarding President Coolidge and his policies and would at the same time afford an indication of the support that was likely to be given to the President by Congress during the ensuing two years. The prohibition issue, on some phase of which eight States voted directly, was designed to evoke an expression of opinion by the voters regarding the modification of the Federal enforcement laws and the continuance of the prohibitory laws of some of the States.

It was generally conceded that the House of Representatives, the entire membership of which, with the exception of four Republicans from Maine who were chosen in September, was subject to election, would remain Republican, although probably with a diminished majority. Of approximately sixty seats classed as doubtful the Republicans were expected to win at least one-half, in which case the party would continue to have an absolute majority over the combined opposition, sufficient to enable them to organize the new House and control the make-up of the committees.

The Senate situation was more precarious. Thirty-five Senators were to be elected. Of the thirty-five seats, seven were held by Democrats from Southern States, thirteen represented States generally regarded as Republican, and fifteen

were in doubt with the chances apparently favoring the Democrats. With no expectation in any quarter that the present Republican majority would be increased, interest in the Senatorial contest turned upon the question of how many of the doubtful seats would be won by Republican candidates, and how far the dependence of the majority party upon the support of the La Follette or insurgent Republicans would make the Republican majority, if one remained, precarious.

Neither Republican jeopardy nor the opportunity of voting on the question of prohibition, however, sufficed to arouse much enthusiasm among the voters. Observers commented upon the falling off in registration, especially in some large cities, the small audiences at party rallies and the apparent indifference of young voters.

A REPUBLICAN REVERSE

The result of the elections confirmed the predictions of a substantial Republican reverse. The Republican majority in the Senate disappeared. Assuming that Arthur R. Gould, who was nominated at the Republican primaries in Maine on Nov. 1 to fill a vacancy, would be elected at a special election to be held on Nov. 29, the Republicans in the new Senate will number forty-eight, or exactly one-half of the total membership of that body. The Republican majority at the beginning of the present, or sixty-ninth, Congress, was sixteen, a figure which had been reduced to thirteen before the election of Nov. 2. For the coming short session the Republican majority will suffer a further reduction through the election of two Democrats to succeed Republicans who were filling vacancies by appointment. Included in the Republican list, moreover, are at least six Senators who are recognized as insurgents, or who have at times acted independently of their party. The other forty-eight members of the new Senate will comprise forty-seven Democrats and one member of the Farmer-Labor Party.

The elections of members of the House returned 236 Republicans, 195 Democrats, 2 Farmer-Labor, 1 Socialist and 1 un-

classified. The present Republican majority of 60 has been reduced to 36 or 37, counting in this majority some ten or more insurgents and a number of more or less independent Representatives.

The extent of the Republican reverse, and the uncertainty of being able to command even one-half of the votes in the Senate, appears most clearly when the circumstances of some of the Senatorial elections are examined. Senator Butler of Massachusetts, Chairman of the Republican National Committee, and a close political friend of President Coolidge, was defeated by former Senator David I. Walsh, a Democrat, notwithstanding that the President, in a letter made public on Oct. 24, declared that Senator Butler "is of great importance to me in my efforts to discharge the duties of my office" and urged his election. Senator Wadsworth of New York, another prominent Republican, was defeated by Judge Robert F. Wagner, a Democrat and an uncompromising "wet," partly, it would seem, because of his unsatisfactory attitude toward the prohibition issue, and partly because the great personal popularity of Governor Smith, who was nominated for a fourth term as Governor, aided Judge Wagner's candidacy.

Two successful Republican candidates for the Senate, William S. Vare of Pennsylvania and Frank L. Smith of Illinois, both of whom were elected by large majorities, were openly threatened during the campaign with rejection of their credentials because of the lavish use of money, as revealed by the investigating committee of the Senate last Summer, in the primaries at which they were nominated. Another staunch supporter of the Administration, Senator Jones of Washington, was returned by a narrow margin. The ranks of the insurgent Senators were strengthened by the election of former Senator Brookhart of Iowa and Governor J. J. Blaine of Wisconsin. The unexpired portion of the term of the late Senator Cummins of Iowa, which ends with the present Congress, was filled by the election of David W. Stewart, Senator Brookhart's term beginning with the new Congress.

The other new Republican Senators

elected include Charles W. Waterman of Colorado and Frederick Steiwer of Oregon. The new Democratic Senators are Hugo Black of Alabama, Carl Hayden of Arizona, Alben W. Barkley of Kentucky, Millard E. Tydings of Maryland, Harry B. Hawes of Missouri and Elmer Thomas of Oklahoma.

To what extent the elections were an expression of opinion regarding the Administration cannot be determined with certainty. The defeat of Senator Butler in Massachusetts was widely interpreted as a rebuff, but with this exception President Coolidge refrained from injecting himself directly into the campaign, and in most of the States the Republicans did not make him an issue save as "Coolidge economy" was generally emphasized. The attempt of the Democrats to make the tariff the leading issue met with no appreciable success. There was, in fact, no commanding national issue appealing to voters throughout the country. Local and personal issues predominated in most of the States, small registration was to be found offset by large majorities for successful candidates, and in a number of States the election of Democratic or Republican Governors or Legislatures was balanced by the choice of representatives of the opposite party for the national Senate or House. Neither the stock market nor other business showed either elation or perturbation as the outcome of the elections became known.

CAMPAIGN EXPENDITURES

In view of the disclosures made last summer to the Senate "slush fund" com-



You Pay Your Money and Take Your Choice.

—Adams Service

mittee, special interest attached to the reports of campaign expenditures as filed from time to time with the Clerk of the House of Representatives and the Secretary of the Senate. The Republican Senatorial and Congressional committees reported on Oct. 29 combined expenditures of \$241,024.97. Contributions of \$99,998 to the Democratic Senatorial Committee were reported on Oct. 25, but the Democratic National Committee, which reported expenditures of \$51,308.39 between Sept. 1 and Oct. 27, had unpaid obligations of \$286,999.27 holding over. The Anti-Saloon League of America, which made a report of its political expenditures on Oct. 22 for the first time in its history, had a balance on hand on Sept. 10 of \$5,957.98, and had received since that date \$2,702 and expended \$6,035.09. A report of the Association Against the Prohibition Amendment, which filed a state-

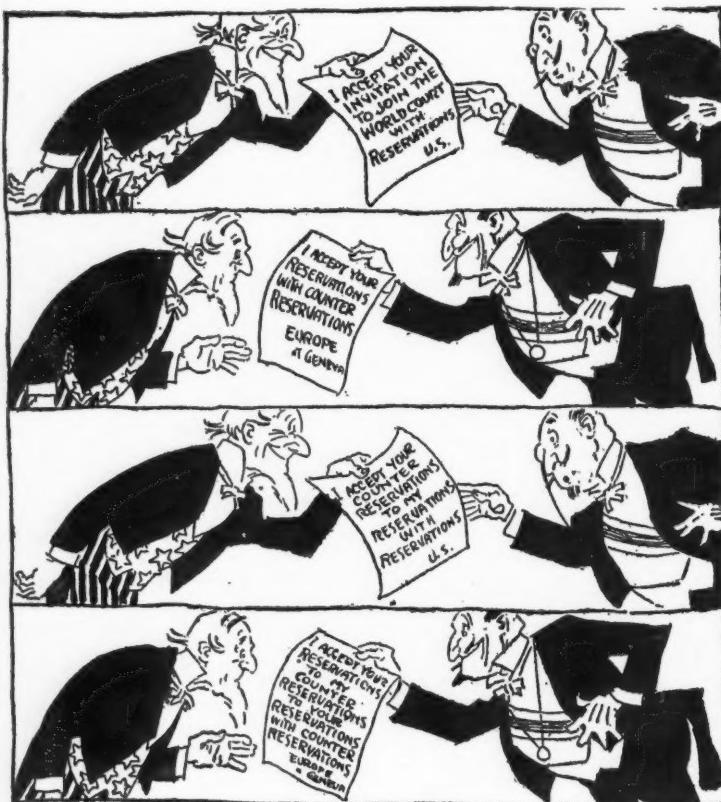
ment on Oct. 27, showed receipts from Jan. 1 to Oct. 1 of \$275,545.55 and disbursements of \$215,070.29. The expenditures of candidates, all of whom are required by law to file reports, ranged from nothing to several thousand dollars each, a considerable number of the larger sums representing contributions to party committees.

The Senate Campaign Funds Committee resumed its hearings on Oct. 18 at Chicago, the inquiry there being concerned with a campaign fund of \$300,000 or \$400,000 alleged to have been raised, or proposed to be raised, in support of the independent candidature of Hugh S. Magill of Chicago for the Senate. The committee later extended its investigations to Indiana, where political control by the Ku Klux Klan through United States Senators was charged, and to Washington and

Arizona. The findings of the committee are expected to be embodied in a report to the Senate.

The results of the State elections showed much party diversity. Massachusetts, which replaced the Republican Senator Butler with a Democratic "wet," chose Alvin T. Fuller, a "bone dry" Republican for Governor. Rhode Island, whose Republican State Convention declared against prohibition, elected a solid Republican State and Congressional ticket, Governor Aram J. Pothier being chosen for a seventh time. New Hampshire, Vermont and Connecticut recorded sweeping Republican victories. In New York, where Governor Alfred E. Smith was chosen for a fourth term, the Legislature remained Republican with a reduced majority. Maryland gave Governor Albert C. Ritchie, Democrat, a third term, and replaced the "silent" Senator Weller, Republican, with a Democrat. There were no Republican tickets, State or national, in Georgia or South Carolina. In Colorado and Oklahoma, both of which elected Democratic Governors, the Ku Klux Klan was a leading issue, as it was in the Senatorial election in Indiana. The election of Dan Moody as Governor of Texas in succession to Governor Miriam A. Ferguson was hardly more than a formality, in view of the decision at the primaries.

The question of prohibition, in the form of a referendum, appeared on the ballots in eight States. In California, Missouri and Montana the question took the form of authorizing the repeal of the prohibition laws of the State. In Colorado



AND SO ON INDEFINITELY

—Adams Service

the proposal was to amend the State laws so as to permit the manufacture and sale of intoxicating liquors, provided the change did not interfere with Federal statutes. Nevada proposed a memorial to Congress for a convention to alter the Eighteenth Amendment, joined to a declaration that national prohibition was a failure, while New York, Illinois and Wisconsin pro-

posed in substance a memorial to Congress asking for the right of the State to define intoxicating liquors. The referendum proposals were defeated in Missouri, Colorado and California; in the other States they were carried by large, and in some cases immense, majorities. The outcome was hailed as a victory by both the "wets" and the "drys."

Mexico's Campaign for Enforcement of Church Regulations

By CHARLES W. HACKETT

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THE conflict between Church and State in Mexico, which reached a climax on July 31, continued to be a matter of chief interest throughout October. Scarcely less, if any, has been the interest in a project to amend the Constitution of 1917 so as to permit the re-election of a President after a Presidential term has intervened, and in the progress of the Government's offensive campaign against the rebellious Yaqui Indians of Sonora.

The Mexican Episcopal Committee on Oct. 2 issued a statement by way of reply to the refusal of the Mexican Congress on Sept. 23 "to take into consideration the petition presented by the Episcopate in which the Bishops requested certain reforms in the Federal Constitution." In their statement the Episcopal Committee argued at length that the Congress was in error in having alleged, as the basis for its rejection of the petition, that the Bishops had forsaken the Constitution when they swore allegiance to the Church and therefore had lost their status as Mexican citizens. The Bishops also argued that not even the circumstances of their "having declared to the Roman Pontiff" their "objection to several articles" of the Mexican Constitution had deprived them of Mexican citizenship. In conclusion the committee

appealed to the "Mexican Catholic people" to "continue working through all legal means until their ideas triumph," and pledged that the Bishops would continue to demand "liberty through legitimate methods * * * as long as necessary in order to obtain reforms in the laws and the removal of the religious restrictions."

A petition requesting the amendment of the religious clauses of the Constitution was on Oct. 12 presented to Congress by sixty prominent lay Catholics, who asserted that they were acting "in the names of 1,200,000 persons who are backing the petition of the Episcopate," which was rejected on Sept. 23. The reforms suggested by the laymen in their petition are practically identical with those proposed by the Episcopate in its petition of Sept. 7, which was rejected on Sept. 23. Likewise the arguments advanced in the laymen's petition are in effect the same as those advanced in the statement of the Episcopal Committee already referred to.

Catholics, including both clerics and laymen, charged with rebellious or seditious activity, continued to be arrested throughout October. General León, Commander of Federal forces in Durango, reported on Oct. 4 that a rebel movement which had been suppressed in that State, with the loss of six Federal and ten rebel

troops, had been "led by Tirgo Guerola, a member of the Knights of Columbus." General León, reported further that two priests and eighteen civilians were being held for trial on charges of sedition. In mid-October ten Catholic priests from the State of Guerrero, and approximately twenty-five lay Catholics, were arrested and imprisoned in Mexico City, charged with conspiracy against the Government. The majority of the lay Catholics, twenty of whom were women and girls, were arrested in the vicinity of Mexico City on the charge of distributing religious propaganda and advocating the continuance of the boycott.

PRIESTS' ALLEGED SEDITION

Bishop Altamirano of Huejuapam on Oct. 20 placed himself at the disposal of the Ministry of the Interior after a request had been granted that he should not be brought to the capital under arrest to answer charges of sedition against him. On the same day two priests from Michoacan, also charged with sedition, were confined to the military barracks in Mexico City. Eight days later several priests from Oaxaca, who were suspected of being implicated in an Indian uprising of several hundred Indians in that State, were instructed to present themselves in Mexico City.

Before the end of October twelve Catholic Bishops from various parts of Mexico had arrived in Mexico City, where it was reported that they had been unofficially requested to remain. A reason assigned for this request was that the Government desired to protect the priests from injustices and ill-treatment which they are reported to have received by local authorities who suspect them of being implicated in recent rebellious outbreaks. A bulletin issued at the Presidential offices on Nov. 1 stated that a band of "fanatics" had been exterminated, but that their leader, General Gallegos, accompanied by a priest, had escaped by flight. The bulletin added that a "flag and other insignia were captured, furnishing evidence which will be made public in a report soon to be issued that a revolution was being organized by the Episcopate."

When Mexican Catholic colleges requested permission to display the crucifix in their classrooms Minister of Public Education Casaurano on Oct. 21 refused to transmit the petition to President Calles "for his favorable consideration until Catholics return at least to submission to the laws." Presidential regulations of the constitutional clauses relating to education, which were issued on July 23, provide that no private school may have on its premises pictures, statues, images, or objects of a religious character.

Presidential regulations limiting the number of Catholic priests and ministers of every denomination to 90 for each denomination in the Federal District, 18 to each denomination in the territory of Lower California and 3 to each denomination in the territory of Quintana Roo, were submitted to Congress on Oct. 16. Data compiled by President Calles and transmitted to Congress show that at present there are 136 churches, 289 Catholic priests and 40 ministers in the Federal District, with its 906,063 inhabitants. Of the latter number 863,631 are Catholics, 12,423 are Protestants, 4,072 are members of other religious sects, 12,889 are of unknown religions and 13,448 profess no religion. The Presidential regulations require every priest and minister to register with the President of his municipality. By the Constitution of 1917 each State is authorized to fix the number of priests or ministers that may function within its borders.

AMERICAN LABOR'S ATTITUDE

The Church and State conflict continued during October to arouse interest outside Mexico and to be the inspiration for resolutions by both Catholic and non-Catholic organizations. The American Federation of Labor, in convention at Detroit on Oct. 14, took action of an important character with respect to the conflict. At the closing session the convention adopted that part of the report of the Committee on International Relations which endorsed the action of the Executive Council "in not interfering in any question or issue not closely within the sphere and scope of the fundamental principles of the A. F. of L." and

commended "the dignified way" in which the Executive Committee "has handled a delicate and intricate incident in our foreign relations with a neighbor [Mexico] to whom we have heretofore given our moral support." At the same time, however, opponents of the Executive Council's Mexican policy forced the adoption of a recommendation which authorizes the Executive Council "to inquire into the relationship of the Mexican Federation of Labor and the Mexican Government * * * for the information of affiliated unions." The American and Mexican Federations of Labor are associated in what is known as the Pan-American Federation of Labor.

The National Council of Catholic Men, in convention at Cleveland on Oct. 19, adopted a resolution which declares that "the minority Government in Mexico, through military power, has enacted laws which deprive the Catholic Church of the right to live and function in that country," and memorialized President Coolidge to prevent "propagation in this country of theories of government sponsored by the Mexican Republic." The council pledged its support to the League for the Defense of Religious Liberty, a Mexican organization opposing the new religious laws.

PROPOSED CONSTITUTIONAL CHANGE

A project to reform the Constitution so as to permit the re-election of a former President after a regular term of four years had intervened was presented to Congress in October by supporters of ex-President Obregón. Article 83 of the Constitution states that a President of Mexico "shall serve four years and shall never be re-elected." The projected amendment provides that "a citizen who has exercised the position of President may occupy the post if designated in the popular elections if a Presidential term has intervened." The proposed amendment passed the Chamber of Deputies on Oct. 21 with only seven dissenting votes. Should the project be approved by the Senate it would still have to be ratified by two-thirds of the State Legislatures. The proposed amendment at once met with opposition in the State

of Chiapas, where the Permanent Commission of the Legislature drew up a vigorous protest to all the State Legislatures in the republic urging the defeat of the amendment. Reports from Tabasco state that the project was favorably received by the people there. General Obregón, who arrived in Mexico City on Oct. 27 for a ten days' visit to President Calles, refused to discuss the proposed amendment, which, if passed, would permit his re-election.

THE YAQUI REBELLION

A vigorous campaign by the Government against the rebellious Yaquis of Sonora was indicated by numerous reports during October. However, no information of an official character concerning the rebellion or of the plans of the Government to cope with it was available. A news dispatch of Oct. 16 stated that the Government then had 13,000 soldiers fully equipped with the latest implements of war for the Yaqui campaign. Ex-President Obregón, upon his arrival in Mexico City on Oct. 27 direct from Sonora, stated that the Yaqui rebellion was not a serious affair, as only 1,500 Indians were engaged in the revolt. He expressed the opinion that the offensive operations being carried out by the Government would, with a minimum of bloodshed among Federal troops, remove once and for all the fear of Yaqui invasions which have menaced the inhabitants of Sonora for many years.

Charges that the Yaqui uprising against the Calles Government was fomented by the Knights of Columbus in the United States, in cooperation with certain exiled Mexicans and the Catholic Bishop of Sonora, were made in the Mexican Chamber of Deputies on Oct. 14 by Deputy Santos. Other Congressmen are reported to have alleged that the American Catholics, the Knights of Columbus and certain oil interests had raised \$4,000,000 to overthrow the Calles Government and to establish a new Government that would agree to modify clauses in the Constitution that are objectionable to Catholics and others that relate to the ownership of petroleum and land in Mexico.

Radical-Socialist Demands on French Government

By CARL BECKER

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NO ESSENTIAL change in the political situation in France occurred during October, and superficially, at least, Premier Poincaré appeared to be more firmly entrenched in power at the close than at the beginning of the month. Opposition to the administrative reforms was voiced on the last day of September by 200 mayors, supported by a certain number of politicians. The delegation which presented the protest was met by the flat refusal of the Premier to change his program. M. Poincaré said that the people were in favor of the reforms, and that if necessary he would make the question a matter of confidence before the Chamber when it assembled. Early in October, decrees were either signed or authorized for the dismissal of 600 judges, 3,400 functionaries in the Finance and Public Works services, and for the abandonment of certain schools and the consolidation of others. Opposition to the administrative reforms appeared to collapse as quickly as it arose, and the fact that the press generally supported the Premier seemed to indicate that he was right in supposing that the people approved of his program.

The Premier on Oct. 12 presented to the Finance Commissions of the Chambers the proposed budget for 1927. The proposals call for an income of 39,960,000,000 francs, the largest appropriation ever asked of the French legislature, with estimated expenditures of 39,382,000,000 francs. The Premier announced that the Government had in hand measures for the final stabilization of the franc, but that these measures would not for the present be made public. Although the ostensible reason given for secrecy was to prevent speculation, it was commonly supposed that M. Poincaré had no intention of raising the

question of stabilization in the near future. On the contrary, he let it be understood that, in his opinion, it would be wise to postpone that vital matter; and at the end of the month he announced that the gradual rise of the franc (to 32.81) was in itself a confirmation of the wisdom of his policy of watchful waiting.

Essentially unchanged, the political situation was nevertheless somewhat clarified by the principal political event of the month. That event was the Congress of the Radical Socialist party at Bordeaux (Oct. 16-18) which, by defining the party's attitude toward the present Government, revealed the precarious foundations of the Ministry of National Union. The Radical Socialist party (the largest group in the Chamber) is not, as the name suggests, more radical than the Socialists, but on the contrary less so. Always strong in the South and West, it has carried on the old revolutionary tradition of individual liberty and republican equality. Recently, however, it has contained a "Left" wing with strong leanings toward distinctly socialistic measures; and two years ago the influence of this Left wing, together with the revulsion of the entire group from the post-war Nationalism of the Right groups, drew the party into an alliance with the Socialists. The majority of the Radical Socialists were never altogether happy in this alliance, and during the last six months the position of the party has become increasingly uncertain and even in some respects a little ridiculous.

Last October, under the lead of M. Herriot and M. Painlevé the party adopted a financial policy hardly distinguishable from the capital levy, the result of which was that M. Caillaux was virtually read out of the party because of his conservatism.

Throughout the Winter M. Herriot used his power to make the position of M. Briand precarious, finally driving him out of the premiership altogether because he asked for exceptional powers for solving the problem occasioned by the collapse of the franc. M. Herriot then took the premiership for the shortest tenure ever known, and retired amid the jeers of his compatriots. Immediately after, without consulting his party, M. Herriot accepted office under M. Poincaré, and has since been collaborating with Louis Marin in a ministry exercising the very powers which he denied M. Briand. The result of this curious history was to leave the Radical Socialist party bewildered and divided, many of its members asking themselves whether the party had any leaders, what its principles and program might be if it had any, and whether the cartel still existed.

The object of the congress at Bordeaux was to answer these questions—"to seek," as the party circular said, "the fundamental causes of a government situation so contrary to the intentions expressed in 1924 * * * to determine the responsibilities for it that rest upon those who com-

pose the Left Cartel." The result of the congress was not wholly satisfactory. In spite of the fact that the orators contrived to diffuse an atmosphere of harmony, M. Herriot was replaced in the leadership by M. Albert Sarraut, and the resolutions adopted constitute a warning to M. Poincaré rather than an explicit definition of principles.

The congress adopted three important resolutions. One of these was clear and explicit, the other two less so than they might have been. First, on the question of taxation, the congress "affirms more vigorously than ever its determination to assure financial justice by the predominance of the direct and personal tax over the indirect by the establishment of a levy on all forms of fortune and of capital and by giving to the public powers the force necessary to liberate the republican State from all the occult forces of finance." This was doubtless more pleasing to M. Blum than to M. Caillaux, and in any case it is diametrically opposed to the policy of the Ministry of National Union in which four members of the Radical Socialist party hold office.

Second, on the question of the debts,



OVER THE CIGARS AT THOIRY

Briand: "To sum up, my dear Stresemann, that stupid business of 1914-18 was only a slight misunderstanding from start to finish."

—*Le Rire, Paris*

the congress followed the advice of M. Caillaux, in so far as to say that "it thinks that in the ratification of the Washington agreement, reservations should be stipulated tending to insure that France should not in any form or under any circumstances pay to the United States or to Great Britain more than she receives from her European debtors." Whether this is the policy of the Poincaré Ministry no one knows. Third, on the question of foreign relations, the congress approved the policy "inaugurated by M. Herriot in July, 1924, and since pursued at Geneva, Locarno and Thoiry. * * * It gives its full adhesion to the agreements of Locarno and approves of the admission of Germany to the League of Nations." This is a frank approval of the policy of M. Briand.

Thus the Radical Socialist Party declared its hostility to the financial policy of the Ministry of National Union, accepted the ratification of the debt agreement only with qualifications, and approved a foreign policy which is that of Briand rather than that of the Premier. Yet the Radical So-

cialist Party authorized MM. Herriot, Sarraut, Perrier and Queille to remain in the ministry. Inconsistent as all this might seem to be, its practical import was understood to be that the party would for the present support the Ministry of National Union, but that as the price of this support M. Poincaré must secure a modification of the debt agreement, and bring himself and his conservative friends in line with M. Briand's policy of international conciliation.

The action of the Bordeaux congress undoubtedly clarified the political situation, but in doing so it revealed the unstable foundations of the ministry. M. Poincaré's Ministry of National Union was formed for the sole purpose of solving the financial problem, the crux of which is the stabilization of the franc. His ministry cannot go on without the support of the Radical Socialists and also of Louis Marin's Nationalists. The Radical Socialists have made explicit demands as the price of their support which the Nationalists could not easily be got to approve.



A FAMILY SCENE.

Papa Poincaré to Briand: "Instead of Cutting Palm Leaves From the Trees, You Silly Child, You Would Do Better to Look for the Lost Franc."

—*Kladderadatsch, Berlin*

German States Settle Property Claims of Former Rulers

By HARRY J. CARMAN

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No event or series of events in Germany since the establishment of the republic has caused greater domestic bitterness and strife or aroused more interest on the part of outsiders than the question of the German royal properties and their disposal.

It will be remembered that in the days of the empire Germany consisted of the four kingdoms, Prussia, Bavaria, Saxony, Württemberg, three free towns and nineteen duchies and principalities. With the coming of the revolution in November, 1918, the twenty-three rulers of these various units of the empire scuttled out of the country leaving behind them landed estates equivalent in extent to twice the area of Brunswick and worth over a billion gold marks; more than a hundred palaces and castles worth at least a half billion marks; art treasures and wrought gold and silver valued at another half billion marks, and immensely valuable libraries. Altogether the royal properties totaled in value 3,000,000,000 marks, or more than three times the amount of the Dawes loan. No sooner had the royal families departed than the question arose as to what should be done with this vast accumulation of property.

The Left parties—the Socialists and the Communists—demanded that it be expropriated outright by the State. The Nationalists, on the other hand, regarding this demand of the radicals as merely another assault upon the old established order, supported the former reigning families in their contention that the properties they had left behind should be returned to them or else they should be fully reimbursed therefor. The Middle parties, representing among others the bourgeois or business interests, although caring little about the fall of German royalty, hesitated to approve outright expropriation fearing lest the Left

parties would use it as a precedent for the seizure of all private property. For a time nothing of importance was done to settle the question. The few attempts made by certain States to nationalize the properties without compensation were frowned upon by the national Government. Thus in 1918 when the Workers' and Soldiers' Council of Lippe-Detmold proposed to appropriate the domain of the former ruler, the national Government declared that "the question whether the domain of the former Prince of Schaumburg-Lippe in Lippe-Detmold is the private property of his family * * * is a legal issue, to be decided by the competent courts of law." Again, when the authorities of the little Thuringian State of Reuss discussed nationalization without compensation they were informed by the national Government that such action was "not in harmony with the fundamental ideas of the future Constitution of the German State." On Jan. 22, 1919, Wolfgang Heine, Minister of Justice for Prussia, publicly declared that "the principle of the inviolability of private property, as announced by the Prussian Government, must not be infringed."

Emboldened by such declarations, the former reigning houses not only began to press their claims for the return of or full payment for the properties they had left behind, but they began to assert that they were entitled to pensions and indemnities. The climax came when during the period of inflation they brought suit to recover their claims, at the same time demanding 100 per cent. revalorization, asserting it was the fault of the Government, which had been taken out of their hands, that money had depreciated. These demands angered many moderates among the Socialist and Left-Middle parties. Debate both in and out of Government halls waxed warm. Finally the Socialists and Communists

brought the matter to a head by proposing a nation-wide vote on the question of complete confiscation without compensation.

The German Constitution specifies that such a referendum may be held if one-tenth of the qualified voters in the last national election so petition. There are approximately 40,000,000 voters in Germany, consequently the sponsors of the bill had to obtain only 4,000,000 signatures. On April 14, 1926, it was announced that 12,523,939 persons had signed the lists! In high spirits the sponsors of the measure, acting in accordance with the Constitution, submitted the measure to the Reichstag. Had that body accepted it without amendment no referendum would have been necessary. Not only did that body reject it on May 6 by a vote of 242 to 236, but it rejected every suggested compromise. In transmitting the measure to the Reichstag the Luther Cabinet appended a declaration to the effect that confiscation without compensation was counter to the principles which underlie every legislative act in a State founded upon law. It furthermore announced the Government's determined opposition to the passage of the bill on the ground that the private property rights of the former ruling families must be held inviolate.

The national referendum was held on June 30 following one of the most bitter campaigns ever waged in Germany. Approximately 15,686,000 votes were cast, of which all except about half a million were for expropriation. Under the Constitution a majority of the qualified voters must cast ballots in order to carry a proposition. The total was about 5,000,000 short of the required number and the proposal, therefore, failed of adoption.

Communists and Socialists were solidly for confiscation. The People's Party, the Nationalists and other parties of the Right were against it, although there were some defections. The Centre also was allegedly against confiscation, but the attitude of the party leaders became half-hearted and timid after the important defections reported from the adherents of the so-called Left Wing Party. The Democratic Party officially refused to take any attitude, but virtually the entire Democratic press

in Prussia published daily attacks on the former rulers in almost as violent a tone as that of the Communist and Socialist organs. These papers also urged their party members to go to the polls even if they desired to vote against expropriation. An analysis of the total vote revealed that it was only about 2,000,000 in excess of that polled by the Socialists and Communists in the initial balloting in March, 1926, on the question of whether a referendum should be held. The radicals, therefore, failed to recruit sufficient newcomers to make up the deficit of 7,500,000.

President von Hindenburg kept out of the campaign until the closing days, when a private letter written by him to Herr von Corbell, organizer of the former Field Marshal's Presidential campaign, was made public without any authorization. Hindenburg, while refusing to give an official opinion on the referendum, wrote his private opinion as follows: "I need hardly tell you that I, who have passed my life in the service of the Kings of Prussia and of the German Emperors, look on this petition for a referendum as a deplorable lack of traditional feelings and as gross ingratitude." He wrote further that expropriations were "a blow against the foundations of what is right and ethical." Paul Loebe, President of the Reichstag, held that Hindenburg had overstepped his rights and privileges and that his letter to Herr Corbell was in reality a breach of the Constitution.

The spectre of Bolshevism, cleverly injected into the last hours of the campaign, kept many away from the polls. The German people, however widely divided they might be over the claims of the former rulers, apparently feared that such dispossession would be followed by seizure of all private property and its nationalization according to the communistic recipe. Dr. Hjalmar Schacht, President of the Reichsbank, resigned from the Democratic Party on June 22 on the contention that it had adopted an equivocal position in the controversy over the proposed confiscation. He was one of the most prominent leaders of the Executive Committee of the party; he had often been attacked by the Right parties for his liberal utterances and his

democratic ideas. Georg Gothein, a prominent member of the party and a frequent contributor to its press in Berlin, also resigned. Other prominent Democrats who came out against expropriation included Count von Bernstorff, the noted historian Hans Delbrueck, Count Max Montgelas, who also had been a frequent contributor to the Berlin Democratic press; Paul Rohrbach, author of the well-known book *The German Idea in the World*, and Friedrich von Siemens, the noted industrialist. In some quarters the vote on the referendum was regarded as a definite test of Republican sentiment.

After the defeat of the referendum, the national Government made several attempts to settle the problem, but without success. In fact, on July 2 Chancellor Marx, to avoid a Cabinet crisis or a possible dissolution of the Reichstag, was forced to withdraw a Government bill for that purpose. At the same time the Reichstag hurriedly enacted the *Sperrgesetz* (bar law) preventing the courts who are supposed to sympathize with the former mon-

archs from rendering decisions on the claims of the ex-rulers.

Meanwhile all the States except Prussia and Gotha had settled with their former rulers. Prussia fell into line when, on Oct. 15, it agreed to hand over to the former Kaiser 250,000 acres of land and 15,000,-000 gold marks (about \$3,750,000) for the castles and estates he formerly owned in his old kingdom. The measure passed the Chamber 258 to 37, the Communists alone voting against it. While the allowance was much less in both land and money than that asked for, the Communists denounced the settlement.

Prussia's settlement, it is hoped, is the last scene in the long-drawn-out drama. While many Republicans detest the settlements, believing the ex-rulers, and especially the Hohenzollerns, received more than they deserved, they are willing to accept them as probably the best way out of a nasty dilemma. All who do not like the settlements point out that they at least deprive the ex-rulers of any popular sympathy as victims of Government injustice.

German Minority Represented in New Czechoslovak Cabinet

By FREDERIC A. OGG
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DURING the seven years since the new map of central Europe took form, the republic of Czechoslovakia has been, on the whole, the most stable, prosperous and promising of the succession States. It has, however, suffered from the malady common to all States in that portion of the world, i. e., racial diversity and discord. The 3,000,000 Germans, dwelling mainly along the western border of the country, have been on bad terms with the preponderating Czechoslovaks; the half-million Ruthenians in the extreme east have cast hopeful glances toward Moscow, and even the Czechs and Slovaks, though kindred slavic peoples, have been impeded in their management

of the country's affairs by much misunderstanding and friction.

It is not to be expected that difficulties arising from, or connected with, considerations of race will suddenly, or perhaps ever, entirely disappear. But a turn of the political wheel within the past few weeks has given the situation, at least for the time being, a much more inviting aspect, and has, indeed, been hailed by both Czechoslovak and foreign observers as marking the beginning of a new chapter in the republic's history. The event that has particularly challenged the world's attention is the formation of a new ministry in the middle of October in which not only the important Slovak People's Catholic

Party, after five years of abstention, is once more actively participating, but, for the first time since the republic was created, representatives of the German citizenry have accepted portfolios. Blood may be thicker than water, but in this particular instance it has proved somewhat thinner than economic interests and alignments.

For years, Czechoslovakia was governed by a coalition of five or six Czech parties, which included the Agrarians, Socialists, National Democrats and the Catholic Populist Party. There was plenty of friction among the cooperating groups, and the parliamentary elections of a year ago almost wiped out their joint majority, leaving them with only 159 seats out of the total 300. Yet the combination managed to hold together—until June of the present year. At that juncture the Cabinet of Dr. Czerny staked its fortunes on two bills—one raising the duties on agricultural imports and the other increasing the pay of State employes and of clergymen of "officially recognized religions"—to which the Socialists took such strong exception that they broke away from the coalition, joined with the Communists, and precipitated a series of scenes hardly equaled for storminess in the parliamentary annals of all Central Europe. The measures were finally carried, but only because the German bourgeois parties—always until now in opposition—waived their racial susceptibilities and joined in with the bourgeois Czechs, Slovaks and Magyars in support of a legislative program resisted to the last by the Socialists and Communists as "undemocratic" and "reactionary."

The future of parliamentary government was for a time a matter of conjecture. Dr. Czerny had patched up a "civil service Cabinet" to tide over the emergency. But it could not continue long, and nobody knew whether the new Czechoslovak-German rapprochement would prove more than a flash in the pan. Weeks of earnest conference and clever stage-setting, however, cleared the way, and when, on Oct. 12, Dr. Czerny's stop-gap Cabinet resigned, M. Svehla, called upon by President Masaryk, quickly and successfully formed a government consolidating and perpetuating the new political order. For

the first time, Germans—two of them—took their places in the Cabinet circle.

The new Premier, leader of the Agrarian Party, has long been an advocate of Czecho-German cooperation. He was the natural choice, not only because of this fact but because his party polled the largest vote at the last elections, and also because he was the father of the plan to increase the grain duties and to do it with the aid of the German and other minorities. He is regarded as one of the cleverest politicians in Europe.

Surrounding M. Svehla in the new ministry are Dr. Czerny, who took the portfolio of the interior; Dr. Benès at the Foreign Office, Dr. Nocek (of the Slovak People's Party) as Minister of Railways, and—among others—the two Germans, i. e., Professor Mayr-Harting (German Social Christian) of the University of Prague, at the Ministry of Justice, and Herr Spina (German Agrarian) at the Ministry of Posts and Telegraphs. The reappointment of Dr. Benès was insisted upon by President Masaryk because of the prestige that statesman has given the country in international affairs. It was, moreover, a real victory for him, because for months he had been under assault from the Fascist Nationalists led by General Gajda, former Chief of the General Staff, and from M. Stribrny, National Socialist leader, who accused the Foreign Minister of being arbitrary and also extravagant in his outlays for representation abroad and for foreign propaganda. Dr. Benès is the only Foreign Minister in Europe who has survived the political upheavals of the post-war years and who has uninterruptedly directed the external relations of his nation ever since its establishment. No appointments were made to the ministries of Health, Food, and Unification of Laws, as these departments are being discontinued and their functions allotted to other ministries.

In summary, the new Government presents three outstanding features, in addition to the rather exceptional ability which it is credited with possessing. The first is its strictly bourgeois character. The Socialists (of various stripes), who

because of their numbers were an important element in all preceding Governments, will henceforth be in opposition. The new régime accordingly represents a swing to the Right.

The second feature is the cooperation of the Germans, already stressed. "This means," declares the *Central European Observer* (published at Prague) editorially, "that the minority in question has passed from a negative to an active phase in relation to the politics of the country. This also applies to some extent to the Hungarian minority, one section of which is cooperating with the Germans and which, together with them, forms part of the Government majority. The minority problems of the republic, which one section of the minorities wished for a long time to solve by irredentism, while the other would have appealed to the international forum, have now been referred to the sphere of inter-

nal politics, where they rightly belong. They can now be dealt with in the best possible manner by cooperation between the minorities and the Government majority." It is understood that the Germans have been promised that their schools will not be hampered and that they will not be discriminated against in coming measures for land reform.

A third feature, hardly less significant than the others, is the representation of the Slovak People's Catholic Party in the ministry. Until the Autumn of 1921, this party was in the Government coalition, but from that date until the recent change it was in opposition. It represents a greater number of Slovak voters than any other party, and its cooperation will tend to bring the problem of larger Slovak autonomy also into a position to be handled by a Government capable of viewing the question from both sides.

Russian Communist Policy of Compromise Under Stalin's Leadership

By ARTHUR B. DARLING
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THE contest between Stalin's Administration and the Opposition headed by Trotsky and Kamenev and Zinoviev came to an abrupt end a week before the Communist Party assembled in convention in Moscow on Oct. 25. The man who counted upon his ability to appeal to the populace gave way to the man who had a firm grip upon the political machinery. Finding that the rank and file of the Communists did not respond to his exhortations, Trotsky bowed to the will of Stalin and acknowledged publicly that he and his associates in opposition had violated party discipline and had encouraged factiousness within the Communist Party. The statement of the leaders of the Opposition said in part: "We disagreed with the majority of the Central Committee of the Congress on a number of principal problems. These views we still retain. But we cate-

gorically repudiate the theory and practice of the freedom of forming groups and factions. At the same time we consider it our duty to recognize openly before the party that in the fight for our views we and our followers on a number of occasions after the Fourteenth Congress permitted ourselves to take steps which are in violation of party discipline and which tend to split the party."

In the presence of the Communist Party assembled on Nov. 1 Trotsky, Kamenev, and others in the Opposition made conciliatory speeches asserting that they never intended to fight the Central Executive Committee of the party and that they would be quite satisfied if the Administration merely gave serious consideration to the opposing theories. Although the Opposition had abandoned its campaign even before the Communist Party met in con-

vention, the Administration did not withhold punishment. Regardless of how satisfactory the apologies of Trotsky and his associates may have been, Stalin and his supporters could not be expected to forego the results of their victory. The people would never believe that the Administration had won unless its antagonists suffered for their actions. For another and perhaps more important reason, foreign nations could be given a practical demonstration that the Soviet Government intends to get away from the bad companionship of "world revolution" and to establish profitable relations with the outside world. Accordingly, although the Opposition was probably assured that it would still have representation in the Central Executive Committee of the Communist Party, Trotsky and Kamenev were ousted from the Political Bureau of the party and Zinoviev was rudely notified that, inasmuch as he did not express the policy of the Communist Party in Russia, henceforth his connection with the Third International was impossible.

Foreign observers in Moscow, who reported that Trotsky was losing several days before his public apology, made note that the struggle involved much more than personal rivalries. They saw in it the age-old issue between autocratic and democratic government. They believed that Trotsky stood for democracy—in the form of communism; whereas Stalin, although favoring an Administration representative of the Communist Party, would hold it tightly in the grasp of a small central authority, the Central Executive Committee of the Communist Party, of which he is the secretary and directing force. If this were the only view of Stalin, however, he would appear as a bureaucrat, maintaining the structure of the Communist order but in reality manipulating it as despotically as any Czar. But such an opinion of Stalin, however searching, discounts altogether too much the actions, under his direction, of the Soviet Government during the past eighteen months. Not only has the Government made concessions to the peasantry that have seriously compromised Communist theory, concessions that virtually amount to recognition of private

property and capitalistic methods of production, but the peasants have been permitted to take active part in local soviets and to look forward to further political opportunities in the next assembly of the All-Russian Soviet Congress. If Stalin is for centralization and central authority, he seems also to be for the eventual establishment of a national system of representation, the foundations of which will rest upon the rural soviets and the peasantry quite as much as upon the urban soviets and the industrial workers. Therein lies the greatest difference between Stalin and Trotsky.

STALIN'S NATIONALISM

Despite many indications to the contrary, Trotsky seems to be thinking in terms of an industrial proletariat, international communism, and world revolution. Stalin, however much he may talk in the language of communism, thinks in terms of a Russian nationalism in which the peasantry shall have a full share and of Russian intercourse with the other nations of the world, regardless of whether or not the Soviet Government must make compromises with capitalists and indulge itself in capitalistic practices. It is safe to presume that Stalin never loses sight of the fact that the peasants constitute nearly 90 per cent. of the Russian population and that their wants must be met by domestic production or importation from abroad, if the Soviet régime is to survive and he himself is to remain in power. There seems to be more than mere coincidence in the intimations heard in London that, with the victory over the Opposition, the Soviet Government has decided to curtail Red propaganda abroad and to take steps toward the settlement of Russian debts to foreign countries.

That the way to accord with the outside world, however, is not easy, is apparent from recent episodes. According to reports from Moscow, a tense situation has developed between the French Minister, M. Herbette, and Litvinov, acting Commissar of Foreign Affairs, over the liquidation of the Russo-Asiatic Bank. Litvinov complained because French courts had ordered the seizure of Soviet funds in Paris

in compliance with the request of a French company. Thereupon it was said that M. Herbette might return to France for a rather long leave of absence. Should the situation grow worse, it might seriously interfere with negotiations between France and the Soviet Union for the settlement of debts and the placement of new loans to the Soviet Union.

When Krassin, Soviet Minister to Great Britain, intimated in London that Russia was anxious to obtain loans there, he was met with the specific statement from the Association of British Creditors of Russia that only "a return to honest methods of commerce and finance on the part of the Soviet Government, accompanied by the settlement of all legitimate claims, would make trade development between the two countries possible." It may take some time for British bankers to forget that funds came from Russia to aid the general strike of last Spring. The British Government may think it wise to discourage the hopes of Krassin until British public opinion has come more under the pressure of time. In the meantime, Russian agents are working in Berlin to obtain increased credits with German banks. The most recent negotiations are said to concern a loan of about 75,000,000 marks for the development of textile and small steel manufactures.

DNIEPER POWER PROJECT

Upon his return to the United States, H. L. Cooper said of the Dnieper power project: "I was astonished that the Soviet should be ready to undertake a \$60,000,000 development, requiring foreign direction and materials. But officials assured me that they were prepared to begin work. The Dnieper River project would be unequaled by any other water-power enterprise in its effect on agriculture, naviga-

tion and industry. Certainly it must add millions to the national wealth in a short time." After Mr. Cooper's departure from Russia, the Ukrainian Government approved his plans for the Dnieper plant and appropriated part of the funds necessary for the initial stages of the work. On Oct. 27 a joint meeting of the Ukrainian Central Executive Committee with the Council of Commissars of the Soviet Union was held in Moscow. It approved the plan and adopted a resolution urging that work commence immediately and asking the Soviet Union to provide from 4,000,000 to 6,000,000 rubles for the current year's costs. The State Planning Commission estimated that the total cost might fall short of \$60,000,000 by perhaps \$5,000,000 and that the yearly saving after the power plant got into operation would approach \$15,500,000.

In a statement prepared for the Communist Party convention, Rykov, Chief Commissar, declared that for the fiscal year ended on Sept. 30 there had been an increase of 23 per cent. in agricultural production over that of the previous year, and of 42 per cent. in industrial production. And he said that exports had risen from 508,000,000 rubles to 685,000,000, and imports from 633,000,000 to 730,000,000—cutting the unfavorable balance of trade to 45,000,000 rubles. In this connection, it is interesting to note that during the last eleven months the order of nations with respect to their Russian trade is as follows: Great Britain, \$145,000,000; Germany, \$131,000,000; United States, \$64,000,000; France, \$27,000,000; Italy, \$26,000,000. The United States fell from first place in 1925 to third in 1926. Russians say that this decline is owing to the fact that they can buy textiles, machinery and similar manufactures on better terms of credit in Europe.



Norway's Decisive Vote to Repeal Prohibition

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WORLD-WIDE prohibition received a serious check when the people of Norway, on Oct. 18, voted against continuance of prohibition in their country. After giving prohibition twelve years' trial under peculiarly favorable conditions, with the law modified from time to time so as to permit the sale of stronger and stronger beverages, the Norwegian people, by a national referendum, decisively expressed their intention that the law prohibiting the manufacture and sale of liquors containing more than 21 per cent. of alcohol should be repealed.

Norway began her experiment with prohibition on Aug. 4, 1914, when a decree was issued restricting the importation of alcoholic liquors. This decree was intended by the Government as a temporary expedient to relieve the shortage of imported foodstuffs caused by the outbreak of the war, when the merchant fleet of Germany was swept from the sea and a large part of the world's tonnage was diverted to war purposes. In June, 1917, the decree of limitation was changed to prohibit the importation, transportation and sale only of spirits, vermouth and wines containing more than 12 per cent. After the war, a plebiscite confirmed the prohibition of spirits and the stronger wines, but a law passed the Storting raising the percentage of legal wines to 14.

Economic influences which hitherto had favored the dry cause now began to shift their direction when protests and representations were made to the Norwegian Government by France and Portugal to the effect that if Norway continued to exclude their wines and spirits they would, by discriminatory tariff, regulations or otherwise, prohibit their nationals from eating Norway's fish. Norway's fishing industry

and her commerce, by which a large part of her population was supported, seemed seriously threatened, and accordingly the Government in 1923 lifted the restrictions from all beverages containing less than 21 per cent. of alcohol. Distilled spirits and the more strongly fortified port wines, however, were still barred, and French and Portuguese protests continued. Finally the Norwegian Government, to pacify the foreign manufacturers of spirits, and avert reprisals, agreed to purchase itself many thousands of gallons of brandy, cordials and ardent spirits each year. Since the sale of these was illegal in Norway the Government was forced to store them in heavily guarded warehouses and to try to sell them to other countries. Both attempts to solve the problem resulted in a considerable loss. Legal liquors were, during these years, sold by a company controlled by the Government, and the national treasury received all profits from the sales after the company had paid a dividend of 7 per cent. to private shareholders. The Government's profit for the year 1926 was estimated at \$2,200,000. Efforts to prevent the illegal manufacture and importation of stronger liquors had been costing Norway about \$10,000,000 annually.

The anti-prohibition party was not slow to make a point of the high cost of prohibition in Norway at a time when taxes were admittedly severe and also called attention to the great amount of smuggling and illegal distilling which was obviously increasing from year to year and which, they said, could not possibly be prevented because of Norway's long and indented coastline and the rugged nature of the inland regions. Excellent sources of supply for the rum runners were close by at Ham-

burg and Newcastle. In the last three years the quantity of pure alcohol and other liquors which the Government was able to seize before it could enter the country increased enormously, and revenue officials themselves admitted that they had probably stopped only a third of the total amount. Vigorous measures, including the confiscation of cargoes and vessels and severe fines and prison sentences succeeded only in preventing an even greater proportion of the smuggled liquor from entering and resulted in increasing expense to the State. It was estimated that more than 1,000 illegal stills were being operated throughout the country.

A referendum on the continuance of the prohibition of spirits was proposed by King Haakon in his speech from the throne read at the formal opening of the Storthing last January. The date for the referendum was later decided upon and announced as Oct. 18. Immediately a determined struggle, which increased in bitterness as the plebiscite drew near, began between the wet and dry factions. The prohibitionists generally sought to inject a religious issue into the fight, following the tactics which apparently succeeded so well in the United States; but the Norwegians, homogeneous as to creed, resented this move so keenly that it probably cost the dry cause many thousands of votes. The Anti-Prohibition Party insisted that the existing restrictions were a farce imposed on Norway by fanatics and that they did not and could not be made to prohibit the consumption of liquor. They brought forward official figures showing that the per capita consumption, rather than decreasing as it had

admittedly been doing before prohibition became a law, was greatly on the increase, mounting from 0.19 liters in 1923 to 0.66 liters in 1925. Imports of wine rose from 3,700,000 liters in 1923 to 9,300,000 liters in 1925.

The plebiscite of Oct. 18 resulted, according to unofficial but reliable figures, in 525,423 votes against prohibition and 415,637 votes in favor of its continuance. These figures, contrasted with a vote of 489,017 in favor and 304,673 opposed to prohibition, the result of the preceding plebiscite, showed a decided change in the sentiment of the country. Although a wet victory had been predicted by most of the Norwegian press, the anti-prohibition majority of more than 100,000 proved a surprise to many observers. Premier Lykke, after the vote became known, announced that when the Storthing assembled in January, 1927, his Government would immediately introduce a bill to abolish prohibition and substitute a system of local option, and that he had no doubt that the bill would become law. After the referendum, prohibition leaders agreed that the Storthing would have to abide by the expressed desire of the voters and abolish prohibition.



TIRED OF THE TEAPOT.
Norway Has Voted Against Prohibition and Again Becomes Wet
After Eleven Years.

—Western Weekly Mail, Cardiff.

Cantonese Gain Ground in Central China

By QUINCY WRIGHT

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AFTER a forty-day siege which is said to have resulted in the death by starvation of thousands of inhabitants, Wu Chang was entered by the Cantonese armies of Chang Kai-shek on Oct. 10. Wu Chang is a city of 500,000 and, though smaller than Hangkow, its neighbor across the Yangtze, its position is important for the security of the Cantonese armies' communications.

The stubborn defense of the city by the Northerners was due to the presence of the famous Third Division, notable for its bravery and loyalty to Wu Pei-fu, but the Southerners have proved no less persistent, led by the spirit of the late Dr. Sun Yat-sen, and their desire to take the city from which began the revolution of 1911 which ousted the Manchus. Their plan of campaign is said to resemble that of fifteen years ago, and, in fact, the date of the surrender of Wu Chang, prophesied by Chang Kai-shek when he started north from Canton two months ago, is the anniversary of the outbreak of the 1911 revolution. The Cantonese believe this date will be celebrated in the future as marking the end of Northern domination.

The occupation was accomplished on the prescribed day by use of the enlightened methods of the Utopians. "These people," reports Sir Thomas More, "seek to overcome the enemy as no other living creature but only man could. That is, not with bodily strength as wild beasts, but by might and puissance of wit." Then says More: "Immediately after war is solemnly declared the Utopians procure many proclamations signed with their own common seal to be set up privily at one time in their enemy's land in places most frequented. In these proclamations they promise great rewards 'to him who will kill their

enemy's Prince', and somewhat less gifts, but very great also, for every head of 'them whose names be in said proclamation contained.'" Following this method, the Cantonese dropped leaflets over Wu Chang from airplanes, stating: "All the suffering of the populace is due to the ambitions of one man. You who are suffering the pangs of starvation have done nothing. All we want is this one man—Liu [General Liu Yu-chun]. His soldiers may go free. We will not injure his family."

Some of the Cantonese were drawn on to the wall of Wu Chang by ropes lowered by disaffected troops within, on Oct. 9, and on the morning of Oct. 10 they descended, rushed the guard at Pagan Gate and after a half hour of desperate fighting opened the gates to let in the waiting Cantonese troops. General Liu, who had sought refuge in the home of Dr. Sherman, principal of the Central China University, was betrayed by a servant and made prisoner. Chen Kia-mu, former Military Governor of Hupeh Province, was captured while attempting to escape dressed as a coolie. An agreement was then made whereby Northern troops with rifles were given the opportunity to join the Canton Army of General Lin Tso-lung. Many seem to have done so. There were considerable casualties in street fighting and several Northern soldiers, charged with looting, were executed.

The Cantonese appear to have perfected a military organization of considerable efficiency, although some observers doubt whether in an engagement it would be a match for Chang Tso-lin's Fengtien troops. General Chang Kai-shek, the Cantonese leader, has exhibited marked military ability, but he was reported wounded on Oct. 20. The capture of Wu Chang solidifies

the position of the Cantonese in Central China, but their ultimate success in unifying China depends on a number of factors apart from military strength, of which Chinese public opinion, the policy of the other generals and the activity of the powers are important. Chinese opinion appears to favor the Cantonese. They are said to be better disciplined and to engage less freely in civilian looting than the Northerners. They are also considered by the Chinese less under the influence of any foreign power than the other armies and more representative of Chinese nationalism, although much foreign opinion believes them strongly under Soviet influence.

There have been spontaneous revolts in favor of the Cantonese such as that of Governor Hsia Chao of Chekiang Province against Marshal Sun Chuan-fang on Oct. 16. Reports of Oct. 22 indicated that Cantonese propaganda was having an effect in the armies of Chang Tso-lin and Sun Chuan-fang. The students sympathize with the Cantonese, and on Oct. 24 organized a demonstration in Shanghai which resulted in some bomb-throwing with a few casualties. On Oct. 16 the Kuang Yuang, one of Sun's troopships, near Kiu Kiang, loaded with ammunition, exploded, killing or drowning 1,200 of the 1,500 soldiers on board. This disaster has been attributed to sympathizers with the Kuo Min Tang.

As for the other generals, Wu Pei-fu is for the time being powerless, and his army only a rem-

nant in Honan Province. Chang Tso-lin, now controlling Pekin, has his base far to the North, in Manchuria, and is likely at any moment to be attacked by the Christian General, Feng Yu-hsiang, who has returned from Moscow, is preparing his army on the Mongolian border and may be expected to cooperate with the Cantonese. Furthermore, Chang Tso-lin is said to be ambitious to bring the Northern part of Sun's domain under his own control, and cannot be relied upon to co-operate whole-heartedly with the latter. Sun himself has been conducting operations against the Cantonese at Kiu Kiang on the Yangtze, but revolts in Chekiang and Kiangsu Provinces at the mouth of the Yangtze have weakened him and the Cantonese hope to win him to their side.



There Was an Old Woman Who Lived in a Shoe.

Middletown (N. Y.) Herald.

Shanghai itself has been threatened by the Chekiang insurgents who came within seven miles of the city on Oct. 17, but V. K. Ting, Mayor of Greater Shanghai, cut the railway and wired: "You are at war with us; we are not at war with you. When you withdraw your troops we will reopen the railway." Defenses are in progress of construction around Shanghai and Hsia Chao seems to have withdrawn for the time. Karakhan, the former Soviet Ambassador in China, on returning to Moscow on Oct. 8, is reported to have expressed the opinion that Sun could not hold out without reinforcements from Chang Tso-lin and added that the "Imperialist Powers" were trying to bring about an alliance between the two generals.

The attitude of the foreign powers is problematical. Miles Lampson, the British Minister, officially announced on Oct. 14 that his Government's policy was "neutrality qualified by a firm determination to protect British lives and property." "His Government realized," he said, that "the Chinese must solve their own difficulties and decide how they are to be ruled." Nevertheless, Thomas F. Millard sees the steady development of a drive for foreign intervention by the European powers which is only checked by American opposition. Early in September, The London *Times*

and The London *Daily Telegraph* editorially advocated direct and unequivocal intervention. Such a policy would, undoubtedly, be favored by the majority of foreign merchants in China, although by comparatively few of the missionaries. As for the Chinese themselves, Millard points out that though some of the more wealthy Chinese merchants might expect benefits to their property interests through intervention, and though doubtless the majority of Chinese are tired of disorder and civil war, there are very few who would not resent actual foreign intervention. Nevertheless, incidents such as the firing on foreign ships in the Yangtze have occurred almost daily. (Oct. 12, Japanese gunboat fired on in the upper Yangtze; Oct. 13, French gunboat *Alerte* fired on near Wusueh, one sailor being killed and a French demand being made for apology; Oct. 13, American steamer *Iping*, and on Oct. 14, British gunboat *Bee* fired on at Itchang; Oct. 19, British merchant ships *Poyang* and *Loong-wo* fired on near Wusueh.) Missionaries are continually in jeopardy as at present in Szechuan Province. Merchants and travelers are frequently in danger from bandits or mob violence as in the recent Shanghai disturbances. Such incidents may at any time cause the tinder supplied by foreign gunboats and Chinese disorder to flame out into intervention.



CURRENT HISTORY—PART II. [Continued]

The Historians' Chronicle of the World

By the Board of Current History Associates

CHAIRMAN: ALBERT BUSHNELL HART, PROFESSOR EMERITUS OF GOVERNMENT, HARVARD UNIVERSITY

PERIOD ENDED NOVEMBER 13, 1926

The Outstanding Events of the Month

By ALBERT BUSHNELL HART

Professor Emeritus of Government, Harvard University

IN few periods of peace has there been such a spirit of restlessness and trouble making as is recorded from day to day by the indefatigable American press. In spite of the desire for peace among all the men of good will throughout the world, the annals of the last month are replete with protests, violence, forcible arrests and gun shots in more than retail quantities.

In view of these disturbances in many parts of the world, the most convinced pacifist must see that war is not yet outlawed nor peace covered by League of Nations insurance. In Italy the head of the Government decrees conviction by elementary procedure and perpetual confinement on barren islands for persons who state reasons for a belief that they are not en rapport with the Duce. In Southern France a Catalan conspiracy, nursed by outside forces not yet revealed, threatens to embroil the Republic of France with the suspended monarchies of Spain and Italy. The Republic of Poland of the twentieth century seems to be going the same breakneck road as that traversed by the Polish Republic of the eighteenth century.

South Africa has begun to realize the white man's burden in the midst of a much greater and rapidly increasing negro population. The condition of large parts of China is war at its worst—blind, unreason-

ing, cruel war between men of the same race, speech and culture. Curiously enough the only Eastern European power which is not shaking its fist at somebody else at the present moment is Russia, which has set a new mark of free speech by publicly posting the names of dissatisfied statesmen instead of placing them on the executioner's list.

Here in America we are going through a process of armed conflicts reminding one of Italy in the Middle Ages. A civil war in Herrin, which has lasted three years, still seems beyond the power of the great State of Illinois to crush. The morning papers abound in accounts of hand to hand conflicts all over the Union between rival gangs of law-breakers, between bandits and their victims, and between criminals in the prisons and their jailers. Of course, in the long run the people of the United States will find a method of preventing these bloody little wars. Otherwise, some rich city will at last be sacked and burned by organized bandits. Ninety-eight per cent. of the population will not always permit itself to be preyed upon by 2 per cent., who can buy their weapons on any corner and are now beginning systematically to match themselves against the police forces of the cities. The truth is that nobody believes his own house will be at

tacked and nobody feels acutely the need of additional defenses, except the jewelers and the concerns with big payrolls.

The main central interest of most intelligent Americans during the last month has been the elections of Nov. 2, which furnish much food for rumination. The State elections have furnished no great excitement outside New York, where the Democrats succeeded in carrying the entire State executive ticket except one office. All the world knows that Governor Smith has gained the most conspicuous place in the most populous and powerful State in the Union. He who runs may read the effect of this success in promoting the Governor's candidacy for the Democratic nomination, which is now only about a year and a half away. Whatever the rival candidacies, whatever difficulty of yoking New York with the Southern States, Governor Smith has become, next to the President of the United States, the most conspicuous figure in American public life. The election throws little light upon what States he could carry. For instance, the re-election of Democratic Governor Donahey in Ohio gives no assurance that the State will in 1928 vote for Governor Smith or for any Democrat. American parties run in grooves and the experience of this election shows, how difficult it is to deflect them from their appointed political practices and alliances, even by the advent of big personalities.

PRESIDENT COOLIDGE'S POSITION

Nor does the election bring into clearness the probable course of the next Republican National Convention. No one has been authorized at any time to say that President Coolidge would accept a renomination. No one can gauge the depth of the opposition to a third term, except that in the election of 1912 more than half the Republican votes were cast for a third-term candidate. President Coolidge has the confidence and good will of very large numbers in his own party, who perhaps are as strong for giving him a third term as for the second term. The return to the Senate of most of the insurgent Republican Senators is an indication that the President cannot depend upon the ordinary party

support in the Senate; but he has managed to get on comfortably the last two years in the teeth of that opposition. As yet no Eastern candidate has developed who could contest the nomination with Coolidge—no upstanding Governor, no bold and ardent Senator, no Cabinet official.

Any rival candidate must come from the West, and who can now gauge the political sentiment of the immense, compact Republican majorities in the rural West, which have been the decisive factor in many of the Presidential elections of the last fifty years? Clearly the men who have sent Brookhart and Norris and the rest from ordinarily solid Republican States cannot be depended upon to support any candidate without something previously happening that seems to commend the candidate. Without the continued support of the farmer vote no Republican candidate can be successful.

President Coolidge must secure the affection of those voters or they will demand a Western candidate, who, they feel, does represent them. The most conspicuous candidate of that type would seem to be Lowden, who is at the same time a practical farmer, well liked by farmers, and a millionaire, not distrusted by millionaires. There is something in the cool, quiet demeanor of Calvin Coolidge which a vast number of his countrymen enjoy. Even the Democrats have never had much to urge personally against President Coolidge, except as the kingpin in a combination which has held the National Government since 1921.

The most serious political question of the immediate future is the attitude of the Senate toward those members-elect who do not deny that enormous sums were spent in their primary campaigns. They take refuge in the Supreme Court decision in the Newberry case, to the effect that a primary election is not a part of the "election" contemplated by the Constitution, and hence is not covered by congressional action against the use of money. Whatever the technical soundness of that statement may be, it does not take away the fact that if these men are seated in the Senate, no man

henceforth can expect to become a Senator of the United States from the States of Pennsylvania and Illinois and other wealthy States unless he and his friends are ready to put up immense sums of money to be spent in "getting out the vote"—whatever that means. The Senate is constitutionally the judge of the qualifications of its own members. If a majority of the Senate establish the rule that it is no business of theirs where enormous election funds come from and for what they are spent, they will shut out the future John Quincy Adamses and Calhouns and Chases and Hoars and Nelsons from their body.

Being a democratic country, we are all intensely interested in such incidents as the visit of a certified Queen. Queen Marie of Rumania comes from a chaotic country which cannot afford to pay American traveling expenses; she is associated in curious ways with the advertising agents of automobile corporations; she is a party to a merry

war over the dining car privileges of adherents. Yet she is a good-natured Queen who (if she would qualify) might be elected to office in some State where the women's vote is thoroughly organized.

People seem much more interested in her queenship than in the result of the pending trials of Daugherty and Morse and Sinclair and other recipients of Government funds and privileges. The Ku Klux dispute, including the disclosures of a convicted murderer, and the mystery of the Hall murders capture public attention as against trials for robbing the Government. In addition, everybody knows that the last election shows a profound drive against prohibition and the Volstead policy; though nobody can at present guess whether it will result in an attempt in the next Congress to alter the existing statute or the constitutional amendment. That proposition is full of dynamite; which way will it burst? Who will go to the hospital?

International Events

PRESIDENT COOLIDGE'S declaration in his Armistice Day address (the text of which will be found elsewhere in this magazine) that the United States would adhere to the World Court only on the conditions laid down by the Senate caused a considerable stir in Europe.

The English newspapers lost no time in replying to the speech. The London *Times* said that the general regret which the President's speech gave rise to "will only be sharpened by the reflection that the United States has always proposed devotion to the principle of international arbitration and that President Coolidge was himself the principal advocate of American adherence. Detachment from the Court * * * will be a symptom of the wide divergence of outlook which still separates the New World from the Old."

The London *Evening Standard* commented:

The peace was very largely an American affair. It was on American inspiration that the European powers were tied up—if we may be allowed the figure—like a bag of snakes. That

was done on the assumption that America would play the part of the snake charmer in chief. That part she has refused.

The London *Daily News* said it was convinced that the United States "will be impelled before many years have passed not only to join directly in the work of the League of Nations, but to concern herself actively in the affairs of Europe, for the American people are building up great economic interests here which will make permanent isolation an impossibility."

According to a summary of French newspaper opinion, President Coolidge's speech was read in France "with amazement and an effort at comprehension which has failed," because financial considerations should be so highly considered beyond moral obligations and the obligation to help in rebuilding the foundations of a new Europe, which was largely modeled by a former President of the United States. The Paris *Temps* declared that the American "attitude was devoid of all idealism" and subordinated "the whole of American politics to the question of money.

* * * A want of comprehension by Americans of the situation created by this deceptive peace, notably in the matter of the debt settlements, has produced a profound uneasiness of spirit which the attitude adopted by the Government at Washington during recent years on most international questions has still further aggravated. Toward the dissipation of that uneasiness the speech of President Coolidge will certainly contribute nothing."

Nevertheless, the agreement for the settlement of the French war debt to the United States seems gradually to be gaining the support of French opinion, although the question of its ratification will hardly come before the Chamber of Deputies until January. Poincaré is believed definitely to have committed himself in favor of its ratification; and Briand and his associates are conducting an active campaign on its behalf. Dariac, the Chairman of the Special Debt Commission of the Chamber, regards it as inevitable. Caillaux, although he believes firmly that there must be ultimate cancellation, advocated the resolution supporting it passed by the Radical-Socialist Congress at Bordeaux on Oct. 16. Even Louis Marin, the leader of the Nationalists, declines to go on record against it. All this does not mean that the French Government will sign on the dotted line. They have adopted into their vocabulary our Senate's word, "reservations," and they will undoubtedly find some way of introducing some sort of a safeguard clause into their acceptance. When the agreement is ratified, loans can without doubt be secured in this country, though a statement by Under Secretary Winston in a speech at Kansas City has been interpreted to mean that stabilization of the franc must also be accomplished before the loans are made.

RESULTS OF THOIRY

Although little progress has been made in giving substance to the plans made by Briand and Stresemann at Thoiry, there is no reason for discouragement as to their ultimate success. Curiously enough, the difficulties in the way are much more economic than political. There can be no doubt that both Briand and Stresemann,

with the countries they represent, are sincerely seeking an accommodation. Truly Thoiry is a long way from Versailles. In a nutshell the situation is this: France has certain advantages, granted her by the treaty, which she is willing to sell for a price that will materially assist her in getting on her feet financially. Germany is willing to go the limit to buy; but at present her sources for credit are overburdened. Some of the French assets, the occupation of the Rhineland, the control of the Sarre, the Interallied Commission on German Disarmament, are of disappearing value; and, if they are to count in the bargain, they must be used promptly. France is naturally anxious to make as good a bargain as possible, but there is no reason to believe that she will make the price unreasonably high.

The railway debentures, Germany's first offer, can hardly find a market here until the French war debt agreement is ratified. On Oct. 18, replying to Poincaré's query as to the possibility of their sale in London, the British Government stated that it had strong doubts as to the wisdom of attempting to market them immediately. It was reported on Oct. 16 that a European syndicate is being formed for the purpose of floating them in the world market, but the story has not yet been confirmed.

Von Hoesch, the German Ambassador at Paris, returned to his post on Oct. 22, and since that time he and Briand have been in frequent conference regarding plans of conciliation and cooperation. No formula has as yet been found; but the will to succeed is there, and that is a large part of the battle. Chancellor Marx, speaking at Essen on Oct. 10, said: "I recognize that there are many obstacles to surmount before we arrive at a satisfactory solution of the questions at issue between France and Germany; but I am convinced that the solution will be found, for I see on every side the firm will to arrive at the end."

INTERNATIONAL INDUSTRY

The European movement toward industrial combination goes on apace. The text of the organization agreement of the Steel Trust, published on Oct. 21, differed in no material particular from the reports

of its contents that have appeared in the press during the last two months. The steel makers of Czechoslovakia, Austria, Hungary and possibly Poland are endeavoring to secure an organization that will make it possible for them to secure admission to the trust; and should they be able to accomplish it there is no doubt that they will be welcomed. National quotas of production, totaling 32,000,000 tons, were announced on Oct. 31. France is given 9,980,000; Germany, 13,820,000; Belgium, 3,700,000; Luxemburg, 2,650,000; and the Sarre, 1,850,000. Plans are said to be in formulation for the organization of the aluminum and the electrical industries; and reports are current of a combination of the builders of locomotives, freight cars, machinery and machine tools. Although the officials of our own Steel Trust have expressed themselves as friendly to the European organization, our delegates on the International Chamber of Commerce were instructed by our Government not to join in the approval of the report adopted by the Chamber which endorsed these "international industrial ententes" and recommended their extension to other industries on the ground that they eliminate competition, ensure steady employment and tend toward the economic unity of Europe.

Considerable significance attaches to the action taken by the Central European Traffic Conference, which closed its sessions at Vienna on Oct. 6. Delegates representing Austrian, German, Polish, Italian, Hungarian, Czechoslovakian, Yugoslavian and Rumanian public and private bodies adopted resolutions condemning the present high tariffs and advocating a Central European postal union, uniform trade and traffic arrangements and a complete revision of the burdensome Danube shipping agreement.

THE SYRIAN MANDATE

An unconfirmed report, published on Oct. 25, declared that France is proposing to resign her mandate over Syria to Italy in return for certain concessions in North Africa. Such a change in administration can be made only with the consent of the Council of the League; and before that



THE OPTIMIST

"When I think of Geneva it seems to me that all mankind must feel that love alone still rules the world."

—*Kladderadatsch, Berlin*

body the project would undoubtedly have hard sledding. Germany would be certain to oppose it, as she wants mandates herself; and she would probably be joined by Great Britain. Outside the Council, Turkey would leave no stone unturned to prevent it.

DISARMAMENTS

The military and naval experts, acting as sub-committees of the Preparatory Disarmament Commission, have adjourned and will not meet again until Easter. Meanwhile they will consult their Governments and receive instructions. On most questions the experts are divided into two almost equal camps, one led by France, the other by Great Britain and the United

States. The opinions of both groups have been registered and will be given consideration at the conferences. An important victory was secured by the Anglo-American bloc when, on Oct. 20, Italy and Spain joined with them in supporting the thesis that naval armaments should be measured by tonnage in classes rather than by total tonnage. Hitherto all the Mediterranean powers had supported the latter view, which would enable them to build an unlimited number of submarines. France and the other nations having conscription laws will not admit the Anglo-American contention that their trained reserves are to be reckoned in estimating national military strength. Gas warfare is condemned by most of the nations, though no satisfactory method of control has as yet been evolved. The French group, on Oct. 18, suggested a combined

reprisal in kind against any offending nation; but the American, British, German, Japanese and Italian delegations declared that they could not approve such sanctions. Our delegates also opposed the suggestion that each nation should enact legislation making criminal "all experiments and training made by military or civil persons for the employment of poisons and bacteria."

A mixed commission for the discussion of economic questions met at Paris from Oct. 19 to 27. They recommended the creation of a permanent commission for the surveillance of armaments (a project definitely disapproved by our Government), the limitation of arms budgets by separate agreements between the States signing the protocol; and the publication of all governmental expenditures for military and naval purposes.

J. T. G.

President Coolidge's Armistice Day Address

PRESIDENT COOLIDGE in the course of his Armistice Day address at the dedication of the Liberty Memorial for World War veterans at Kansas City, delivered before an assemblage of 175,000 persons, dealt with a number of national and international topics. The following is the text of the more important passages:

* * * We have little need to inquire how that war began. Its day of carnage is done. Nothing is to be gained from criminations and recriminations. We are attempting to restore the world to a state of better understanding and amity. We can even leave to others the discussion of who won the war. It is enough for us to know that the side on which we fought was victorious. But we should never forget that we were asserting our rights and maintaining our ideals. That, at least, we shall demand as our place in history. * * *

In the last eight years about \$3,500,000,000 have been expended by the National Government for restoration, education and relief. Nearly \$3,200,000,000 have been pledged to accrue in future benefits to all veterans. * * *

I am of the firm conviction that there is more hope for the progress of true ideals in the modern world even from a nation of newly rich than there is from a nation of chronically poor. Honest poverty is one thing, but lack of industry and character is quite another. While we do not need to boast of our prosperity or vaunt our ability to accumulate wealth, I see no occasion to apologize for it. It is the expression of a commendable American spirit to live a life not merely devoted

to luxurious ease, but to practical accomplishment. * * *

No one can doubt that our country was exalted and inspired by its war experience. It attained a conscious national unity which it never before possessed. That unity ought always to be cherished as one of our choicest possessions. In this broad land of ours there is enough for everybody. We ought not to regret our diversification, but rather rejoice in it. * * * We had revealed to us in our time of peril not only the geographical unity of our country, but, what was of even more importance, the unity of the spirit of our people. * * * We should not permit that spirit which was such a source of strength in our time of trial to be dissipated in the more easy days of peace. We needed it then and we need it now. * * * The policy which was adopted during the war of selective service through the compulsory Government intervention is the same policy which we should carry out in peace through voluntary personal action. Our armies could not be said to partake of any distinct racial characteristic. Many of our soldiers were foreigners by birth, but they were all Americans in the defense of our common interests. * * * The same condition should prevail in our peace-time, social and economic organization. * * * This great lesson in democracy, this great example of equality which came to us as the experience of the war, ought never to be forgotten. It was a resurgence of the true American spirit which combined our people through a common purpose into one harmonious whole. When Armistice Day came in 1918, America had reached a higher and truer national spirit than it ever before possessed. We at last realized in a new vision that we were all one people. Our country has never sought to be a mil-

tary power. It cherishes no imperialistic designs, it is not infatuated with any vision of empire. * * * But we realize thoroughly that no one will protect us unless we protect ourselves. Domestic peace and international security are among the first objects to be sought by any government. * * * To insure these necessary conditions we maintain a very moderate military establishment in proportion to our numbers and extent of territory. It is a menace to no one except the evildoer. It is a notice to everybody that the authority of our Government will be maintained and that we recognize that it is the first duty of Americans to look after America and maintain the supremacy of American rights. * * *

While, of course, our Government is thoroughly committed to a policy of permanent international peace and has made and will continue to make every reasonable effort in that direction, it is therefore also committed to a policy of adequate national defense. Like everything that has any value, the army and navy cost something. In the last half dozen years we have appropriated for their support about \$4,000,000,000. Taken as a whole, there is no better navy than our own in the world. If our army is not as large as that of some other countries, it is not outmatched by any other like number of troops. Our entire military and naval forces represent a strength of about 550,000 men, altogether the largest which we have ever maintained in time of peace. We have recently laid out a five-year program for improving our aviation service. * * *

Our Government stands also thoroughly committed to the policy of avoiding competition in armaments. We expect to provide ourselves with reasonable protection, but we do not desire to enter into competition with any other country in the maintenance of land or sea forces. * * * We have at last entered into treaties with the great powers eliminating to a large degree competition in naval armaments. We are engaged in negotiations to broaden and extend this humane and enlightened policy and are willing to make reasonable sacrifices to secure its further adoption.

It is doubtful if in the present circumstances of our country the subject of economy and the reduction of the war debt has ever been given sufficient prominence in considering the problem of national defense. * * *

It is difficult to estimate in figures the entire resources of our country and impossible to comprehend them. It is estimated to be approaching in value \$400,000,000,000. No one could say in advance how large a sum could be secured from a system of war taxation, but every one knows it would be insufficient to meet the cost of war. It would be necessary for the Treasury to resort to the use of the national credit. Great as that might be, it is not limitless. To carry on the last conflict we borrowed in excess of \$26,000,000,000. This great debt has been reduced to about \$19,000,000,000. So long as that is unpaid it stands as a tremendous impediment against the ability of America to defend itself by military operations. Until this obligation is discharged it is the one insuperable obstacle to the possibility of developing our full national strength. Every time a Liberty bond is retired preparedness is advanced.

It is more and more becoming the conviction of students of adequate defense that in time of national peril the Government should

be clothed with authority to call into its service all of its man power and all of its property under such terms and conditions that it may completely avoid making a sacrifice of one and a profiteer of another. To expose some men to the perils of the battlefield while others are left to reap large gains from the distress of their country is not in harmony with our ideal of equality. Any future policy of conscription should be all inclusive, applicable in its terms to the entire personnel and the entire wealth of the whole nation.

It is often said that we profited from the World War. We did not profit from it, but lost from it in common with all countries engaged in it. Some individuals made gains, but the nation suffered great losses. Merely in the matter of our national debt it will require heavy sacrifices extended over a period of about thirty years to recoup those losses. What we suffered indirectly in the diminution of our commerce and through the deflation which occurred when we had to terminate the expenditure of our capital and begin to live on our income is a vast sum which can never be estimated. The war left us with debts and mortgages, without counting our obligations to our veterans, which it will take a generation to discharge. High taxes, insolvent banks, ruined industry, distressed agriculture, all followed in its train.

While the period of liquidation appears to have been passed, long years of laborious toil on the part of the people will be necessary to repair our loss. It was not because our resources had not been impaired, but because they were so great that we could meantime finance these losses while they are being restored, that we have been able so early to revive our prosperity. But the money which we are making today has to be used in part to replace that which we expended during the war.

In time this damage can be repaired, but there are irreparable losses which will go on forever. We see them in the vacant home, in the orphaned children, in the widowed women, in the bereaved parents. To the thousands of the youth who are gone forever must be added other thousands of maimed and disabled. * * *

It is not only because of these enormous losses suffered alike by ourselves and the rest of the world that we desire peace, but because we look to the arts of peace rather than war as the means by which mankind will finally develop its greatest spiritual power. * * * We shall not be able to cultivate the arts of peace by constant appeal to primal instincts. * * * Nothing is easier than an appeal to suspicion and distrust. It is always certain that the unthinking will respond to such efforts. * * * It is necessary that the statesmanship of peace should lead in some other direction.

If we are to have peace, therefore, we are to live in accordance with the dictates of a higher life. We shall avoid any national spirit of suspicion, distrust and hatred toward other nations. The Old World has for generations indulged itself in this form of luxury. The results have been ruinous. It is not for us who are more fortunately circumstanced to pass judgment upon those who are less favored. In their place we might have done worse. But it is our duty to be warned by their example and to take full advantage of

our own position. We want understanding, good-will and friendly relations between ourselves and all other people. The first requisite for this purpose is a friendly attitude on our own part.

They tell us that we are not liked in Europe. Such reports are undoubtedly exaggerated and can be given altogether too much importance. We are a creditor nation. We are more prosperous than some others. This means that our interests have come within the European circle where distrust and suspicion, if nothing more, have been altogether too common. ***

We ought to be wise enough to know that in the sober and informed thought of other countries we probably hold the place of a favored nation. We ought not to fail to appreciate the trials and difficulties, the suffering and the sacrifices, of the people of our sister nations, and to extend to them at all times our patience, our sympathy and such help as we believe will enable them to be restored to a sound and prosperous condition. ***

Our Government has steadily maintained the policy of the recognition and sanctity of international obligations and the performance of international covenants. It has not believed that the world, economically, financially or morally, could rest upon any other secure foundation. But such a policy does not include extortion or oppression. Moderation is a mutual international obligation. We have therefore undertaken to deal with other countries in accordance with these principles, believing that their application is for the welfare of the world and the advancement of civilization.

In our prosperity and financial resources we have seen not only our own advantage but an increasing advantage to other people who have needed our assistance. The fact that our position is strong, our finance stable, our trade large, has steadied and supported the economic condition of the whole world. Those who need credit ought not to complain but rather rejoice that there is a bank able to serve their needs. We have maintained our detached and independent position in order that we might be better prepared in our own way to serve those who need our help. We

have not desired or sought to intrude, but to give our counsel and assistance when it has been asked. Our influence is none the less valuable because we have insisted that it should not be used by one country against another, but for the fair and disinterested service of all. We have signified our willingness to cooperate with other countries to secure a method for the settlement of disputes according to the dictates of reason. ***

A permanent court of international justice has been established to which nations may voluntarily resort for an adjudication of their differences. It has been subject to much misrepresentation, which has resulted in much misconception of its principles and objects among our people. I have advocated adherence to such a court by this nation on condition that the statute or treaty creating it be amended to meet our views. The Senate has adopted a resolution for that purpose.

While the nations involved cannot yet be said to have made a final determination, and from most of them no answer has been received, many of them have indicated that they are unwilling to concur in the conditions adopted by the resolution of the Senate. While no final decision can be made by our Government until final answers are received, the situation has been sufficiently developed so that I feel warranted in saying that I do not intend to ask the Senate to modify its position. I do not believe the Senate would take favorable action on any such proposal, and unless the requirements of the Senate resolution are met by the other interested nations I can see no prospect of this country adhering to the court.

While we recognize the obligations arising from the war and the common dictates of humanity which ever bind us to a friendly consideration for other people, our main responsibility is for America. In the present state of the world that responsibility is more grave than it ever was at any other time. We have to face the facts. The margin of safety in human affairs is never very broad, as we have seen from the experience of the last dozen years. ***

The United States

PRESIDENT COOLIDGE, who was quoted on Nov. 5 as seeing a Republican victory in the Congressional elections, surprised the country by announcing unofficially on the same day that he favored some kind of a rebate or refund, to the extent of ten or twelve per cent. of the Federal income taxes of the present fiscal year. While it was doubtful, he was reported as saying in substance, if the Administration possessed sufficient information as yet in regard to the working of the present revenue law to justify it in recommending a permanent reduction of taxes,

there was evident propriety, in view of an estimated surplus of over \$250,000,000, in giving the taxpayers some relief. It was pointed out that since Congress does not meet until Dec. 6, while the final instalment of the income tax is due Dec. 15, it would be impractical to pass a tax reduction bill applicable to the present year, but that a rebate could be authorized without difficulty. Mr. Coolidge was later represented as hoping that the House of Representatives, with which the decision rested, would treat the matter without partisanship.

In a statement issued on Nov. 8, Secre-

tary Mellon, referring to President Coolidge's suggestion, gave the proposal a different turn by declaring that he saw "no reason why the greater part of the expected surplus for 1927 might not be left in the pockets of the people of the country by a credit on their income taxes." A surplus, he said, "is a casual matter, occurring in one year and not in another." The present sinking fund provisions for the payment of the debt should not be altered, because upon the faith of those provisions, made by Congress during and after the war, "every Government obligation sold by the Treasury since that time has been taken by the American people." There was no reason, however, why the Government should not "treat its taxpayers fairly in any particular year in which Government revenues are overabundant," and there would be ample time before March, 1927, for Congress to "provide for this credit against all income taxes, both individual and corporate, which are due and payable in the first six months of the calendar year 1927, being the last six months of the Government's fiscal year."

Democratic spokesmen were inclined to attribute these proposals of the Administration to the Republican reverses in the recent elections, and to insist that the Democratic demand for straight out tax reduction would be neither modified nor withdrawn. It was a matter of general knowledge in political and business circles, however, that a number of large and influential business organizations, among them the National Association of Manufacturers, had for some time been urging further reduction of taxes, especially the tax on corporations, and it was believed that informal representations on the subject had been made to President Coolidge. This phase of the matter came to a head on Nov. 10 when a meeting at Washington, attended by representatives of national organizations of the lumber, coal, mining, boot and shoe, and petroleum industries and the National Association of Manufacturers, voted to petition the Ways and Means Committee of the House for a public hearing before the meeting of Congress on the subject of corporate income tax relief, and to urge upon Congress the re-

peal, at the coming session, of the additional one-half of one per cent. imposed upon corporations for the calendar years 1925 and 1926.

Secretary Mellon was quoted, on Nov. 11, as strongly opposed to the demand of the Washington committee, and reiterated his contention that no permanent reduction of taxes could be made at this time. Confidence was expressed that Congress, upon full consideration of the question, would authorize a $12\frac{1}{2}$ per cent. reduction applicable to the last two quarters of the present fiscal year. This, it was said, would more than offset the increase in the corporation tax.

TAXES AND TARIFFS

The possibility of a sharp difference of opinion in Congress, not wholly confined to party lines, over the question of rebates or credits versus tax reduction, took on further interest from its bearing upon the Democratic demand for a reduction of the tariff, and the unexpected appearance of the tariff issue as affecting the economic recovery of Europe. Although the International Bankers Manifesto made public on Oct. 19 and reproduced elsewhere in these pages, seemed clearly to refer primarily to Europe, some fear was expressed that the publication of the document would be regarded as identifying the American signers and "Wall Street" with the advocates of a low American tariff. Secretary Mellon, who it was understood spoke for the Administration, came promptly to the defense of the protective system in an elaborate statement issued on Oct. 24.

TRADE AND INDUSTRY

The gradual slowing down of industry and trade which has been noted for several months continued in the period under review, but with no indication of unsoundness in the industry of the country as a whole, and without important recession in any of the leading industries except automobile manufacture and building. For the nine months ended Sept. 30 the value of exports declined in comparison with the corresponding period in 1925, but the balance of trade still favored the United

States. The exports of coal to Europe, together with the demand for ocean tonnage, showed a marked increase due to the prolonged coal strike in Great Britain and the stoppage of coal exports from Great Britain to the Continent. A total crop production of nearly 3 per cent. above that of last year, and 7.3 per cent. above the average of the past five years, was reported by the Department of Agriculture on Nov. 10.

The issuance on Sept. 23 of the Government cotton report, showing an estimated crop of 15,810,000 bales as of Sept. 16, as against an estimate of 15,166,000 bales on Sept. 1, aroused a good deal of temporary anxiety in the cotton industry and in the cotton States of the South, and precipitated an abrupt drop in the price of cotton on the exchanges. While it was apparent that the low price of cotton might aid in the rehabilitation of the cotton textile industry, especially in New England, the prospective loss to the cotton growers, estimated by one authority at as high as \$400,000,000, seemed for a time a matter of grave concern. The month of October saw the beginning of organized attempts to deal with the situation. On Oct. 7 the Federal Farm Loan Board announced a credit of \$30,000,000 to cooperative marketing associations, and a special Federal Commission to aid the cotton growers was appointed by President Coolidge on Oct. 9. After conferences with representatives of the growers and others in the South, it was announced on Oct. 29 that nine cotton finance corporations, with a combined capital of \$16,000,000 and a borrowing power of ten times that amount, were in process of formation for the purpose of financing the storage of 4,000,000 bales, and that systematic efforts would be made to bring about a reduction of the cotton acreage and a diversification of crops. A Government estimate issued on Nov. 8 raised the total estimated yield to 17,918,000 bales.

OF NATIONAL INTEREST

President Coolidge made three public addresses during the period under review. On Oct. 15 he greeted the schoolboy com-

petitors in the first international oratorical contest at Washington, and emphasized "the most solemn and binding obligation" of all qualified voters "to register their decision at the ballot box." On Oct. 27, in an address before the annual convention of the American Association of Advertising Agencies at Washington, he commended advertising for the leading part it had played in the growth of the country and its contribution to the maintenance of high wages and a high standard of living. The more important passages in his address at Kansas City, Mo., on Armistice Day, Nov. 11, are printed elsewhere in this magazine.

The impeachment proceedings against Federal Judge George W. English of Illinois were brought to a sudden halt on Nov. 4 by the resignation of Judge English. The Senate met and organized as a court of impeachment on Nov. 10, and then took a recess until Dec. 13, at which time it was expected that the House Representatives would recommend that the charges be dropped.

The increased frequency of mail robberies and serious attacks upon postal employes led to the issuance on Oct. 20 of an order, approved by President Coolidge, detailing 2,500 marines to guard mail trains, postal trucks, railway stations, and other places where valuable mail matter is handled. For the purposes of the order, the country was divided into eastern and western zones, the boundary line between the two being the eastern boundaries of Montana, Wyoming, Colorado and New Mexico.

Two recent decisions of the United States Supreme Court attracted wide attention on political as well as constitutional grounds. The Court on Oct. 11 upheld the propriety of the sale by the Alien Property Custodian to the Chemical Foundation, a Delaware corporation, of German dye and chemical patents, trademarks and copyrights seized by the United States during the World War. In the case of Frank S. Myers, formerly postmaster at Portland, Ore., who was removed from office by President Wilson in 1920, the Court on Oct. 25 affirmed the right of the President to

make removals without the advice and consent of the Senate, and set aside as unconstitutional a law of 1876 which required the approval of the Senate in the removal of postmasters of the first three classes. This latter decision was regarded as closing a controversy which had been carried on at intervals ever since the first session of the First Congress, in 1789.

Joseph Gurney Cannon, popularly

known as "Uncle Joe," died on Nov. 13 at the age of 90. He was a prominent figure in national politics for fifty years and served in Congress in the administrations of twelve Presidents. His most important work was done as Speaker of the House of Representatives, which office he held for eight years during the Roosevelt régime.

W. MACD.

Mexico and Central America

PRESIDENT CALLES, on Nov. 6, submitted to Congress a new bill of religious regulations based on Article 130 of the Constitution, whose purpose is "to seal every loophole in the present regulations making evasions possible and to prepare the way for complete and absolute enforcement of the religious clauses of the Constitution." The bill re-enacts all the former regulations and increases their rigor in many respects. Some of its additional provisions are as follows: Foreign colonies are allowed to have foreign ministers for six years, during which time native Mexicans must be trained to take their places. Civil marriages are obligatory, and if a religious ceremony is also performed, it must be reported. Services by laymen and the holding of private masses are forbidden.

Former President Alvaro Obregon, on Nov. 7, reviewed social, economic and political conditions in Mexico in a statement in which he laid the blame for the present Church and State conflict entirely on the clergy and charged them with deliberately trying to stir up political warfare by their suspension of Church services. He also charged the Church with opposing the "Socialist movement, which in modern times represents the principal objective of the proletarian masses both on the farms and in the cities," and advised it to yield lest the masses come to the conclusion that they can get along without spiritual aid. The Bishops of Mexico answered this attack, on Nov. 9, by denying any political motive in the suspension of services, affirming the fundamental incompatibility

between Catholicism and socialism, and declaring that the present restrictions were prompted by hatred, in which, however, the masses do not really participate.

It was reported on Nov. 10 that the American Government had sent another note, relative to the controversy over the alien land and oil laws, said to be the most vigorous of any yet exchanged by the two Governments. At the time this article was written, the text had not been made public, but it was understood to relate to the conventions entered into in 1923 when President Obregon was in power.

Carloads of merchandise exported to Mexico from the United States through the port of Laredo, Texas, during the first eight months of 1923 totaled 6,048, as compared with 5,205 for the corresponding period in 1925. For the calendar year 1925 the total number of carloads of merchandise exported to Mexico through Laredo was 8,031. The value of exports passing through Laredo into Mexico for the fiscal year ended June 30 was in excess of \$40,000,000. During the same period the value of Mexican silver bullion exported into the United States through this port was in excess of \$15,000,000. The volume of the principal commodities for the first eight months of 1926, as indicated by carload shipments is as follows: Automobiles, 686; lumber, 559; petroleum products, 412; corn, 400; wheat, 384; lard, 319.

A contract for the construction of a huge concrete dam across the Lerma River in the State of Michoacan, at an

estimated cost of \$9,000,000, was signed by the Mexican Government on Oct. 11 with the Mexican Light and Power Company, a Canadian corporation operating solely in Mexico. The dam is designed for flood prevention, irrigation and hydroelectric purposes.

The Mexican Government early in October ordered the enlistment of 5,000 additional soldiers, the officers to be selected from military men on the retired list. At the same time the War Department instructed all military commanders to wage an energetic campaign against bandits.

Under-Secretary of War Pina announced on Nov. 2 that rebel bands in various parts of the Republic do not constitute a military problem for the Government. He stated that the bands do not exceed thirty men each and characterized them as "fanatics," or professional bandits. The following day, in a running fight that lasted fourteen hours, Federal forces routed a rebel band that had been operating in the State of Guerrero. *El Excelsior* reported on that day that members of the Federal Secret Service had been ordered to investigate activities of enemies of the Government on the charge that they had been planning a new rebel movement.

Nicaragua

ADMIRAL LATIMER, Commander of American naval forces that were sent to the east coast of Nicaragua in September, returned to Panama on the cruiser Rochester on Oct. 8. He reported that order had been re-established and that commerce had been resumed on the Nicaraguan east coast. The cruiser Galveston was retained in the Bluefields regions to patrol the neutral zone that was established by the agreement signed on Sept. 23 by representatives of the Nicaraguan Government and the Liberal revolutionists.

Through the good offices of the United States Government a conference between delegates of de facto President Chamorro and the Liberal revolutionists was begun at Corinto, the chief Nicaraguan port on

the Pacific coast, on Oct. 16, for the purpose of ending the Liberal revolution in Nicaragua. Safe conduct permits for the Liberal delegates to the conference had been secured by United States Chargé d'Affaires Lawrence Dennis at Managua as early as Oct. 8. Also, for the purpose of maintaining peace and order during the conference, armed naval forces of the United States from the cruiser Denver established a neutral zone in and around Corinto.

At the outset of the conference an impasse developed. The Conservative delegates insisted that in case of the resignation of de facto President Chamorro, his place should be filled by a Conservative. The Liberals, however, were not content merely with the unseating of Chamorro and insisted that Dr. Juan B. Sacasa, the Liberal Vice President at the time of the Chamorro coup last year, should be invested with the Presidency. At the end of the first week the impasse between the Liberal and Conservative delegates was reported to have reached a critical stage, and on Oct. 24 the conference was abruptly terminated. The following day it was reported from Washington that Secretary of State Kellogg had warned both groups of delegates that their wisest course was to effect an agreement on the merits of their quarrel, irrespective of possible outside influences. Following the rupture of the conference, American naval forces at Corinto turned over the control of the neutral zone there to the forces of de facto President Chamorro. At the same time hostilities were resumed in the east coast region between the Liberal revolutionists and Conservative forces. On Nov. 8 it was reported that American coffee growers around Matagalpa had appealed to the Legation for aid against the revolutionists.

General Chamorro resigned as de facto President late in October and was succeeded by the Second Presidential Designate, Senator Uriza, in the absence from the country of the First Designate. Provisional President Uriza was reported, early in November, to have solicited the aid of the United States during the period

of the reorganization of the Government. Under the Constitution the Provisional President is obliged to convoke a special session of Congress to elect a new President. At San José de Costa Rica, on Oct. 28, the Nicaraguan National League, composed of 20,000 Nicaraguans in Costa Rica, memorialized President Coolidge to convoke a conference of representatives of the Central American republics with the object of ending the revolution in Nicaragua.

During October there were frequent reports of aid having been received from Mexico by the Liberal revolutionists. Captain Tsiplkin and twelve members of the crew of the tug *Foam*, which was beached off the Nicaraguan east coast on Sept. 7, reached New York on Oct. 11. They told a story of having been impressed for two months into the service of the Nicaraguan Liberal revolutionists by two Nicaraguan Generals and seventeen Mexi-

can gunners, who boarded their tug at Puerto, Mexico, after a cargo of arms and ammunition had been taken on there. From Managua it was reported on Oct. 23 that Liberal delegates at Corinto had admitted in the conference that they had received aid from Mexico and were confident of further Mexican aid, as well as aid from Guatemala, in case of the failure of the conference. From Washington it was unofficially reported on Oct. 25 that United States officials were inclined to believe that the Nicaraguan revolutionists had been encouraged by support from Mexico and to attribute this as a cause for the failure of the negotiations at Corinto. The same day it was reported from Managua that Liberal leaders had declared that Mexico, Guatemala, and Costa Rica would immediately recognize Dr. Juan B. Sacasa as *de jure* President in the event of his reaching the area on the east coast then in control of the Liberals.

South America

By HARRY T. COLLINGS

Professor of Economics, University of Pennsylvania

ATACNA-ARICA settlement was again rumored during the past month. The press on Nov. 4 reported that Dr. Hernán Velarde, Peruvian Minister in Washington, had received the long awaited reply from his Government. Shortly after the receipt of this message he had a conference with Secretary Kellogg, but no announcements regarding this meeting or progress in the settlement were given to the press. The *Washington Post* (Oct. 10) in an editorial declared that internationalization of the disputed territory was the only reasonable solution of the problem.

Preparations for the flight of the army aviators of the United States around South America were completed within the past month. Five airplanes will take part in the expedition, which will start from San Antonio, Texas, on Dec. 15. The machines will cross the territory of twenty-two nations and cover a distance of 18,

354 miles before arriving at their destination in Washington, D. C. The flight is to be made in six divisions, with a number of stops in each lap. The expedition will cost \$46,000 exclusive of training expenses, and will be under the command of Major Herbert A. Dargue of the United States Army.

Argentina

POLITICAL sentiment is already being capitalized by political parties and the press with reference to candidates for the office of chief executive. A new President will be elected next year for a term of six years. President Alvear is ineligible for immediate re-election. He suggested (Oct. 5) the appointment of Monseñor Fray Bottaro as Archbishop of Buenos Aires. This appointment would end a disagreement that has existed for two years between the Vatican and the Argentine Government over the filling of

the post. Monseñor Bottaro accepted the appointment, which now awaits only papal approval.

President Alvear on Oct. 17 unveiled in Buenos Aires a monument to the memory of his grandfather, General Carlos Maria de Alvear, a hero of the early days of Argentine independence. General de Alvear died in Washington in 1852 while serving as Argentine Minister there. Among the speakers at the ceremony of unveiling was United States Ambassador Peter Augustus Jay, who read a message from President Coolidge.

The Argentine Government has granted France a moratorium on a loan of \$10,000,000 due next February. The French Treasury will pay the interest and renew the principal indefinitely, or until the situation permits a settlement. Three billion francs of national credit bonds, also due in February, will be refunded, thus relieving the stringency in the French Treasury.

Brazil

PRESIDENT-ELECT WASHINGTON LUIS in October declared repeatedly that he expected after assuming office as Chief Magistrate, on Nov. 15, to continue the financial policy of his predecessor with reference to stabilizing the milreis. President Bernardes has resolutely contracted the circulation of paper money in Brazil for over a year. This caused a credit stringency, but will eventually benefit the republic. At present business is depressed in Brazil. The continued improvement in Brazilian exchange through forced contraction of the circulation of paper money brought about an acute economic crisis which affects all business, especially the manufacture of textiles. Several large firms and many small ones have closed their doors. Inasmuch as the cotton industry normally employs 100,000 hands, the curtailment of operation in the mills created an unemployment problem of considerable acuteness.

A recent report of the American Trade Commissioner in Rio de Janeiro affords some valuable data with regard to foreign investments in Brazil. British investments there are far larger than those of any

other foreign nation. The British holdings may be classified as follows:

Investments in industrial enterprises.	£121,005,544
Loans to Fed. Gov., in circulation...	102,623,294
Loans to State and municipal govt..	60,636,430

Total	£284,265,268
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In July, 1924, Wileman's Brazilian Review estimated the total industrial investment of British capital in Brazil at £117,005,544. About £4,000,000 additional has been invested since that date. Recent investments have been chiefly in coffee fazendas, textile mills and cotton plantations.

French capital invested in Brazil is estimated as follows:

Francs.

Industrial investments	1,500,000,000
Loans to Federal Government.....	336,206,500
Loans to State and municipal govt..	381,355,300

Total	2,217,561,800
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The estimate for industrial investments is as of June 30, 1924. It is believed that only slight additions have been made since that date.

The total American capital invested in Brazil is estimated at about \$342,500,000, divided as follows:

Industrial investments	\$100,000,000
Loans to Federal Government.....	123,717,167
Loans to State and municipal govt..	118,700,000

Total	\$342,417,167
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American loans to the Federal Government, as of Dec. 3, 1925, amounted to \$63,717,167. To this is added \$60,000,000 representing flotations during 1926.

Considerable capital has been invested in Brazil by Germany, Italy, Portugal, the Netherlands, Belgium and Spain, but no accurate figures are available for these loans. They probably total \$300,000,000.

Chile

CONGRESS convened on Oct. 4, but only purely political issues were considered during the first month of the session. At this time no indication of passing the 1926 budget was shown. President Figueroa had proposed to eliminate a portion of the apparent 1927 budgeting deficit by introducing economies amounting to 50-

000,000 pesos (the Chilean peso is now worth \$0.1217) and increasing revenues by an equal amount. The national convention of taxpayers, meeting on Oct. 25, approved this proposal.

The principal newspaper of Santiago, *El Mercurio*, which has several times attacked the American Ambassador, William M. Collier, charging him with partiality toward Peru on the Tacna-Arica plebiscite question, said editorially on Nov. 8: "While the American Ambassador, Mr. Collier, as the diplomatic representative of a friendly nation, necessarily will be tolerated by the Chilean Government when he returns here, and there is no likelihood of violence against him, nevertheless this is no guarantee he will be treated in the most friendly fashion." This censure called forth a defense of Mr. Collier in the Chamber of Deputies by Señor Rodolfo Mitchells, a radical. He deplored the charge that Ambassador Collier had been partisan and

pro-Peruvian during the controversy over the plebiscite. Deputy Mitchells called upon the Foreign Minister to state officially that Ambassador Collier was *persona grata* in Chile. The Foreign Relations Department later declared that it had no reason for regarding Mr. Collier as unwelcome in Chile.

A strike of 9,000 miners at Potrerillos was called on Oct. 27, because of the death of one of their number in a police station where he had been taken after being arrested for drunkenness. The mines at Potrerillos are the property of the Andes Copper Company. The men returned to work when it was proved that the police were not responsible for the miner's death.

A general strike of twenty-four hours' duration was called in Santiago on Nov. 5 as a protest against the law which compels workers to contribute a certain percentage of their salary toward industrial insurance.

H. T. C.

The British Empire

By RALSTON HAYDEN and JAMES K. POLLOCK, Jr.

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THE Ninth Imperial Conference, representing the various parts of the British Commonwealth of Nations, opened in the Cabinet room of No. 10 Downing Street, London, on Oct. 19. Each one of the six self-governing Dominions was represented by its Premier, and India also had a delegation headed by the Earl of Birkenhead, the Secretary of State for India. The heads of the various delegations are as follows: Stanley Baldwin, Great Britain; Mackenzie King, Canada; S. M. Bruce, Australia; General Hertzog, South Africa; W. T. Cosgrave, Ireland; J. G. Coates, New Zealand; W. S. Monroe, Newfoundland. Of these statesmen, Baldwin, King, Bruce and Cosgrave attended the last Imperial Conference which was held in October, 1923. At the opening meeting Baldwin was accompanied by Sir Austen Chamberlain, Secretary of State for Foreign Affairs; Earl Balfour, Lord President of the Council, and Mr. Amery, Secretary of State for the Dominions. There

are fifty-three persons in the various Dominion delegations.

As soon as the preliminary formalities were over, various committees were appointed to investigate certain important subjects. They included an Economic Committee, a Committee of Premiers Investigating Inter-Imperial Relations and a Committee on Overseas Settlement.

The three most important questions considered were defense, empire trade and settlement, and foreign affairs. The Committee of Premiers Investigating Inter-Imperial Relations discussed the question of equality of status for the Dominions, but it appeared that a solution of the problem was yet to be found. General Hertzog caused considerable uneasiness by his attitude on South African aspirations. Evidently he was not ready to push for complete separation from the empire, and yet he was desirous of having the status of the Dominions made perfectly clear.

The third week of the conference was

devoted to private discussion with but one plenary session. At this session the views of the Dominions on the question of imperial defense were given. The British Government made no definite proposals for further empire participation in the building of the fleet. New Zealand and Australia took considerable interest in these problems, but South Africa and Canada did not appear to be deeply concerned.

The importance of the Imperial Conference to the British Commonwealth of Nations cannot be overemphasized. The fact that the deliberations were to last for six weeks and the additional fact that the self-governing Dominions one and all sent to London their respective Premiers as delegates indicated clearly the significance attached to the conference. But no adequate idea can be formed of the results obtained until the report of the proceedings is published.

Great Britain

FURTHER negotiations for a settlement of the coal dispute in Great Britain entered on a new stage when the General Council of the Trade Union Congress met in London on Oct. 26 to ascertain if another conference of the miners and operators under Government auspices could be arranged. As a result of their mediation, the

Executive Committee of the Miners' Federation undertook to submit to a delegate conference proposals for a settlement of the dispute. This conference met Nov. 4 and sanctioned a definite move in the direction of peace. The Coal Committee of the Cabinet met with the Executive Committee of the Miners' Federation and later met the Central Committee of the Mining Association, the colliery owners' national organization. As a result of these conferences, it appeared that there was a desire for peace.

The strike has now entered into its seventh month, and there are increasing signs of distress, not only in Great Britain but also on the Continent, because of the stoppage. Winston Churchill may not be able to balance the budget without increased taxation, and many industries remain in a moribund condition. Despite the fact that over 300,000 miners have returned to work and that there is a daily increase in the production of fuel, the coal rationing continues in England and has been started in Denmark and Austria. Nevertheless the coal strike continues, and A. J. Cook, the Secretary of the Miners' Federation, stated that he saw "no signs of peace in the coal dispute." The newspapers, however, continue to predict an early end to the coal stoppage through an agreement between the miners and operators. Pending a settlement, Parliament met on Oct. 26 and renewed the emergency regulations, adjourning immediately thereafter until Nov. 9.

One of the political events of the month was the resignation of Lord Oxford and Asquith from the leadership of the Liberal Party, a position he had held since 1908. For some time the Liberal Party has been rent by dissension within its ranks. These differences were brought



ON THE RACK

—John Bull, London

to a head by the events of the general strike. Soon after the strike ended Lord Oxford addressed to Mr. Lloyd George a letter expressing his regret at the course which Mr. Lloyd George had pursued in the crisis. Since then many appeals for unity have been made, but without success. Following Lord Oxford's resignation from the leadership of the party, Sir Godfrey Collins, the Chief Whip appointed by Lord Oxford, handed in his resignation. Lloyd George, who is still leader of the party in the Commons, promptly called a meeting of the Liberal Parliamentary Party, at which time it was decided to call a special meeting of the Parliamentary Party to consider the subject of Liberal reorganization. Lord Oxford's resignation is expected to pave the way for new activity by the Liberals and will probably stop the defections from the party that have occurred in the last few weeks. Commander Kenworthy has joined the Labor Party and Sir Courtenay Mansel has seceded to the Conservatives.

In the borough elections held on Nov. 1 in England and Wales outside of London, the Labor Party registered large gains. Final results give Labor a gain of 146 seats in the election of councilors for over 300 county and municipal boroughs.

The annual conferences of British political parties were held during the month, the Conservatives meeting at Scarborough, the Laborites at Margate and the Communists at Battersea. The Labor conference was very lively because of its efforts in carry-



GOING BACK

—Star, London

ing out the process of purging the party of its revolutionary element.

There were fewer births in England and Wales in 1925 than in any year since 1862, with the exception of the World War years, according to official statements issued during the month. The births totaled 710,582. The birth rate per thousand people—18.3—is the lowest ever recorded except in 1917 and 1918. Marriages totaled 295,689 and deaths totaled 472,841.

Canada

VINCENT MASSEY, a wealthy manufacturer and a close student of international affairs, was on Nov. 10 appointed Canadian Minister to Washington, the first in history.

Fourteen members of the Mackenzie King Cabinet were re-elected to their seats

in Parliament in by-elections held on Nov. 2. These by-elections were held in accordance with the procedure in Canada which makes it necessary for members appointed to Ministerial positions to go before the people for re-election.

At a caucus of the elected Conservative members of Parliament, Hugh Guthrie was elected temporary House Leader. A National Conservative Convention will be held after the end of the session to choose a successor to former Premier Arthur Meighen, whose resignation was accepted by the caucus.

The Ontario Legislature was dissolved on Oct. 13 and Premier G. Howard Ferguson announced a general election for Dec. 1.

Ireland

THE estimated revenues of Northern Ireland for 1926-1927 are \$58,295,000 and the expenditures \$49,835,000. The balance is available for contribution to Imperial Services. The budget for 1925-1926 failed to balance, but a contribution from the Imperial Treasury turned the deficit into a credit balance.

Australia and New Zealand

IN view of the importance attached to the productivity of the Dominions in relation to inter-Empire trade, interest is given to the recently published official statistics of production in the Australian Commonwealth. The values of the various branches of production in 1915 compared with 1925 are:

	1915.	1925.
Agricultural	£76,000,000	£107,000,000
Pastoral	66,000,000	122,000,000
Dairying	22,000,000	45,000,000
Forestry and Fisheries.	6,000,000	12,000,000
Mining	22,000,000	25,000,000
Manufacturing	59,000,000	138,000,000
 Total.....	 £251,000,000	 £449,000,000

The greatest increase is seen in the manufacturing group, which would be intensified if allowance were made for the increase in prices.

The decrease in persons employed in

rural occupations during the decade is significant, being from 459,000 to 452,000, whereas persons employed in manufacturing increased from 321,000 to 440,000.

The annual report of the Commissioner of State Enterprises and Auditor General for Queensland, the State which has had a Labor Government continuously for over eleven years, discloses heavy deficits. The total indebtedness to the Treasury is £1,500,000. Small profits were shown in the past year by the butchers' shops, the railway refreshment rooms, the State hotel, the cannery and the fish supply.

The Parliamentary session in New Zealand closed on Sept. 11. Though it lasted only ninety days, ninety-four public and three private bills were passed.

South Africa

A POLITICAL sensation was caused by the resignation of Dan Goetze as Chairman of the Kimberley group of the Nationalists, the party of Premier Hertzog. Goetze, who says his move is made "on the eve of the greatest political crisis South Africa has ever seen," is joining the South African Party, led by General J. C. Smuts, former Premier.

India

THE National Legislative Assembly as well as the Provincial Councils closed and all parties began to prepare for the elections. In three of the nine Provinces of India equipped with Legislative Assemblies, elections were ordered to be held before Nov. 30. The break-up of the Swaraj party had become very rapid, and it was no longer in a position to expect to gain additional seats. While the Mohammedan community seemed likely to meet the elections as a single party prepared to work the Constitution in both the Central and Provincial legislatures, the Hindu community was unfortunately split. Mr. Ghandi chose to remain out of the political arena. The two historic communities of India were fiercely suspicious of each other, and with this feeling between Hindu and Moslem existing, the elections were

being entered upon on a communal platform rather than on a Nationalist platform.

With the dissolution of the second Assembly on Sept. 15 ended another period of parliamentary institutions for India. The next legislatures will be the last before the decision is taken as to the next step in developing self-government. The second Assembly was three years in existence and during that period over eighty bills were passed. Some of these were of considerable importance. The separation of railway finance from the general budget and the adoption of Sir Basil Blackett's debt redemption scheme remain the most solid landmarks of progress. Imposition of

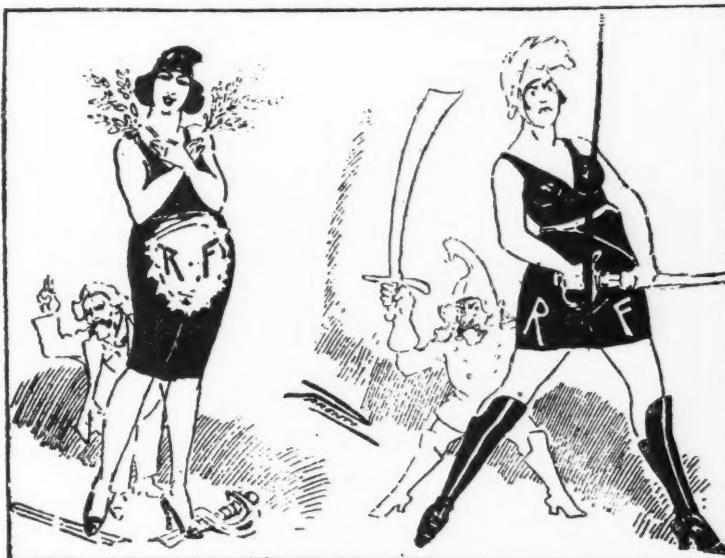
the steel duties marked a new phase of legislation in India. The period of the Assembly was one of notable committees and commissions, the results of which in several cases still await legislative form. In general, this Assembly was better than its predecessor. Debate was more vigorous, there was a more serious attempt to form effective parties; and both the Government and the Opposition had acquired more parliamentary skill. During the recent session the debate on the communal situation in the country was the last of the discussions of interest which mirrored public opinion and proved the Assembly to be the best platform for the consideration of matters of public moment.

France and Belgium

FOR the second month in succession the foreign trade of France showed an export balance. The chief increase in exports was in manufactured goods, amounting to 31 1-3 per cent.

The franc during the first week in November rose to approximately 30 to the dollar, reaching on Nov. 4 the high point of 29.63. This registered an increased value of 42 per cent. during the ministry of M. Poincaré, and was taken to indicate the growing confidence in the Ministry of National Union. Since the level of prices has not fallen in proportion, anxiety about the high cost of living has replaced the former anxiety about the franc. One effect of the rise of the franc was that capital returned from abroad.

The Bank of France continued to buy gold of the French people, the amount purchased during the week ended Nov. 4 being 137,000,000 francs. The advances to the State, and the amount of note circulation, showed for the month of October, in comparison with July, a slight decline.



The Two Ways in Which France Plays Her Disarmament Role—at Geneva and at Tangier and in the Balkans.

Il 420, Florence.

The French Government recently revised the naturalization laws in such a way as to make it easier and less costly for foreigners to become French citizens, and early in October an enlarged Naturalization Bureau was opened. There are about 4,000,000 foreigners now residing in France, while the birth rate of native Frenchmen has steadily declined. It was hoped that a large proportion of the foreign residents, especially the Belgians, Italians and Spaniards, would now take advantage of the increased facilities.

The American Legion in France officially approved a strongly worded resolution denouncing the "insidious propaganda being conducted in the United States for the purpose of destroying the friendly relations hitherto existing between the American people and those of France." The resolution was occasioned by the allegations of Senator Caraway of Arkansas to the effect that the graves of American soldiers in France had been desecrated.

The Chamber of Deputies resumed its sessions on Nov. 12, its first important move being a vote of confidence, 365 to 207, in the Poincaré Government.

Belgium

THE event of greatest importance and interest in Belgium during the month of October was the final stabilization of the currency on a gold basis. That the program of the Government would be carried out without difficulty was foreseen early in October as a result of the elections which registered a marked victory for the Conservative and Catholic parties. The most notable feature of the elections was the gain of the Catholics in large towns, where formerly the Liberals and Socialists were strong. In Brussels the Catholics increased their seats in the Chamber from 14 to 17, while the Liberals dropped from 14 to 12. The Liberals held their own in the Flemish districts, but the Socialists and Christian Democrats showed a diminished strength practically everywhere. The defeat of the Socialists and the success of the Catholics was taken to mean only one

thing—namely, that following the failure of the Socialist Government to deal successfully with the financial situation the voters were willing to support the projects of the present Conservative dictatorship for financial reform and stabilization.

Besides success in the elections, the favorable financial situation strengthened the hand of the Government. The heavy taxes of Minister Franqui brought in for June, July and August more than twice as much as for the corresponding months of the last year. During the last three months the Treasury and the National Bank purchased \$70,000,000 in exchange without lowering the rate noticeably, while during the same time there was a marked tendency for capital to return from abroad. All of this, together with the consolidation of the large internal floating debt, created a situation more favorable for the final act of stabilization than had before existed. Accordingly, with the projected foreign loan of \$100,000,000 practically assured, the Government decided to advance the date of stabilization to the 25th of October. The basis of the new monetary system is the *belga*, with a fixed gold value of .209211 gram. The *belga* is, however, merely a name, signifying five francs, which is to be used only in connection with foreign exchange. The value of the franc is therefore fixed on a gold basis, such that at the moment of stabilization its exchange value in dollars was one to thirty-six. On Oct. 27 a new metal currency was put in circulation, replacing the present five and twenty franc notes. The replacement will be gradually made until the amount of metal currency in circulation is approximately 125,000,000.

The success of the Belgian stabilization was never in question. The measures of the Government were generally approved in Belgium and in foreign countries. The confidence abroad in the new currency was shown by the fact that the new money soon went above par on the market, while the subscriptions to the new \$100,000,000 loan went far beyond the sum required. The measures taken by the Belgian Government mean necessarily that Belgium withdraws from the Latin monetary union. C. B.

Germany and Austria

THE Unemployment Doles measure has not yet been finally passed by the Reichstag.

It was announced on Oct. 24 that the Linke-Hofmann-Lauchhammer Steel and Engineering Company would be dissolved, its steel works to be the nucleus of a new central German steel trust. The desire to lower production costs was a prime motivating factor.

According to data recently published in German labor papers, there has been a decided falling off during the last few years in the number of wage agreements. In 1925 there were only 13,100,000 persons in Germany working under such agreements, compared with 14,300,000 in 1922. The number of agreements also decreased from 10,768 to 7,099. The falling off in the agreements was said to be due to concentration in the centres of production and to business slumps, while the drop in the number of workers was attributed to discharges due to the installation of labor-saving machinery, to the technical reconstruction of factories and to the dismissal of many non-manual workers who were needed only during the inflation period.

German manufacturers of iron and steel finished products were absolved of the charge of "dumping" their products in the United States under aid given by an export bounty in a joint and unanimous

report submitted Oct. 28 to the Governments of Germany and the United States by the German-American Mixed Commission.

It was announced on Oct. 23 that all the properties of the Stinnes family had been vested in two American holding companies in return for a \$25,000,000 loan. This money will be used to clear off the present outstanding obligations and provide new capital. The late magnate's heirs, however, will continue to direct the various interests.

* Berlin was threatened with a real coal shortage due to the English miners' strike. On account of large coal shipments to England and several of England's former coal



PLAYING FOR BIG STAKES

—Middletown (N.Y.) Herald

customers, the large reserves which were dumped in the Ruhr section were entirely gone. Daily shipments to the German capital did not exceed the daily consumption and dealers had no reserves. There was also a shortage of railroad cars due to the fact that the mine owners, wishing to hold their newly acquired buyers, were shunting coal trains to harbors for export.

Lieutenant Schulz, organizer of the Black Reichswehr, was acquitted on Nov. 3, after a trial lasting nearly a week, of inciting his subordinates to murder Private Groeschke, another member of the illegal military organization. Five of his aides received prison sentences.

In the general elections held in Saxony on Oct. 31 the Economic party and the so-called Revalorization party polled between them more than 300,000 votes, thereby electing fourteen members to the Diet. The membership of these two parties is composed almost entirely of middle class voters, who demand that citizens whose savings were wiped out by the flood of paper money during the inflation period be recompensed for their losses by the State. The Socialist vote slumped.

Austria

ATFER a long wrangle with State employees who demanded an increase in pay, Chancellor Ramek and his Cabinet resigned on Oct. 15. The Chancellor offered a 12½ per cent. increase, but this was rejected as unsatisfactory. The Parliamentary investigation of the Central Bank of Austria, which the Chancellor saved last summer by advancing it \$9,000,000 when it was threatened with a run, damaged considerably the prestige of his party and weakened his position. The public hearings, while they did not prove that he had acted from purely sordid personal motives, tended to show that he and his party were involved politically.

The official statement of the Central Bank on Oct. 27, during the Parliamentary investigation of its affairs, showed that its liabilities exceeded its assets by nearly \$14,000,000 on June 30, when the Ramek Cabinet went to its aid, and officially stated that the Government would guaran-

tee all its depositors. Then it was thought that that amount of money would be sufficient, but the latest statement, which was calculated on the most favorable basis, sets forth that the Government may have to use another \$5,000,000 in this affair, if not \$7,000,000, as some experts think. Since June 30 the bank has been under a moratorium, which late in October was extended for another month.

Ramek was succeeded by the Catholic prelate, Mgr. Seipel, who on Oct. 20 presented his Cabinet as follows:

Dr. SEIPEL—Chancellor, Foreign Affairs and Interior.
 Dr. FRANZ DINGHOFER—Vice Chancellor and Minister of Justice.
 HERR RICHARD SCHMITZE—Education.
 Dr. JOSEPH RESCH—Social Welfare.
 Dr. VIKTOR KIENBOCK—Finance.
 HERR ANDREAS THALER—Agriculture and Forestry.
 DR. HANS SCHUESS—Trade and Transportation.
 HERR KARL VAUGOIN—Defence.

Four of these, Resch, Thaler, Schürss and Vaugoin, were hold-overs from the preceding Ministry.

The new Cabinet, which was accepted by Parliament by a vote of 91 to 59, maintained the coalition of the Christian Socialists and the small Pan-German Party. It marked a victory for Mgr. Seipel and the Christian Socialists of Vienna over the provincial members of the party who dominated the Ramek Government.

Dr. Seipel after his election said that he recognized the great need to extirpate root and branch the unsavory and corrupt practices which of late had been tainting public life in Austria, and that he proposed by legislation to draw a dividing line between officers of the State and men in business. His first task, however, would be to come to a satisfactory understanding with discontented civil servants and the bankers. In this proceeding he would remain mindful of the country's agreement with the League of Nations relative to the preservation of the equilibrium of the budget. Dr. Seipel said further that he had heard the cry for removal of restrictions upon European trade. He heartily concurred with the view that such a step was necessary. He would seek to arrive at a

good understanding with the neighbors of Austria and all nations.

The Austrian Social Democratic Party on Nov. 4 closed its most important congress since before the World War with the unanimous adoption of a new platform, chiefly revolutionary in its decided break with several of the most traditional Socialist revolutionary doctrines. Most, if not all, of the previous Socialist programs had been formulated as ideals aimed at for the distant future without thought of the party's immediately gaining power. The remarkable innovations in the Linz platform were due to the fundamental change in the Socialist status in Austria. This revolution from the idealistic to the realistic attitude was not made without strong opposition from the Extremist wing, which freely charged the Moderates with playing short-sighted opportunist politics liable to alienate the most militant Socialists without gaining the confidence of the peasants, small bourgeoisie and intellectuals whose votes the party is now clearly aiming to attract. The Extremists succeeded in forcing compromises on five points, but that these concessions did not seriously diminish the victory of the Moderates may be seen in the following summary of the platform:

It upholds the democratic Austrian Republic, declaring that democratic institutions enable workmen peacefully and legally to gain control of the State; opposes violent or revolutionary methods to gain power or a dictatorship, unless there should be a counter-revolution against a future Socialist Government, and then allows a dictatorship only during the period necessary.

It limits itself in proclaiming a class war only in the contingency of attempts to restore the monarchy or to establish a bourgeois dictatorship. In order to prevent such a danger, it declares that the Socialists must maintain the closest connections with the personnel of the Austrian army. It denounces imperialistic and nationalistic wars, but rejects a plank of complete pacifism and admits the necessity of defending Austria by arms. It pledges all forces to prevent counter-revolutionary attacks from neighbors or

attempts to restore the monarchy. It declares that the Socialist economic and social ideal State cannot be established in Austria alone, but must await such action by the big powers. It admits that it is useless for the Socialists to try to govern Austria unless first they succeed in winning over the peasants, the lower middle class and the intellectuals.

Meanwhile, it points out, both the Socialist and bourgeois parties are too weak to govern alone, and it agrees to cooperation necessary during such a period, hinting willingness to join in a coalition government, but qualifying such coalitions as bound to be only temporary. It drops the traditional free-thinking, anti-clerical dogmas. Though the Extremists forced the withdrawal of the original words of this plank—"Religion is a private matter"—it remains, nevertheless, based upon this unwritten principle. It declares that the Socialists will not fight the Church and will respect the rights of all religions, but it demands separation of Church and State.

The Socialists have written this platform with an eye both toward winning next year's elections and at the same time unburdening themselves with promises too difficult, if not impossible, to fulfill should they find themselves controlling Austria in 1927.

The annual elections to the Soldiers' Councils of the Austrian Army were concluded on Oct. 16 after a hectic campaign in which Deputies and other civilian orators participated, with a slight gain for the Christian Socialist Party. Four-fifths of the soldiers' delegates, however, remained Socialists. The final total vote in the whole army showed 11,130 Socialists electing 203 "Red" delegates and 3,650 Christian Socialists electing 49 "Yellow" delegates—as they are called.

According to the latest published returns, Austrian State finances showed a satisfactory surplus for the first half of the year. The excess of revenue reached 2,000,000 schillings, or \$280,000.

It was reported on Nov. 11 that the Interallied Military Control Commission had raided the Steyr arms factory at Steyr and seized thousands of rifle and gun parts.

H. J. C.

Italy

By ELOISE ELLERY

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THE celebration of the fourth anniversary of the beginning of the Fascist régime—the March on Rome—ending with an attack on the life of Mussolini, and the consequent enactment of drastic legislation, overshadowed all other events in Italy during the last month. This anniversary marks the welding together of Mussolini's power and the practically complete "Fascization" of the Italian State. Two important steps toward that "Fascization" were taken a few days previously when the Grand Council of the Fascist Party approved Premier Mussolini's assumption of the position of commander-in-chief of the Fascist National Militia, with the rank of Generalissimo, and decided to abolish elections within the party. As Mussolini already holds the portfolios of War, Navy and Aeronautics, the addition of this new authority means that he now has complete control in name as well as in fact of all the weapons of national defense. The abolition of the electoral system within the party means that all the responsible officials of the local Fascist organization instead of being elected by their own members are to be appointed by provincial secretaries who are appointed by the secretary general of the party, appointed in turn by Mussolini. This parallels the abolition some months ago of elections for political offices and means complete centralization within the party as well as in the government of the State.

Further regulations of the Council provide that members must be connected with the organization for at least three years in order to be eligible for provincial offices, and that each new member must take the following oath: "I swear to follow without discussion the orders of the leader of Fascismo and to serve with all my faculties, even, if it be necessary, with my blood, the cause of the Fascist revolution." It is also provided that the members of the Balilla—the juvenile Fascist

organization—pass to the Advance Guard, or junior body, at the age of sixteen, and at the age of eighteen be automatically enrolled among the regular Fascisti. In taking over the control of this militia from its former commander, Prince Gonzaga, Mussolini issued a brief order: "Obey with absolute fidelity. Be ready always and everywhere for the defense of the régime, which today is the mother country."

The consolidation of Italy under Mussolini was further emphasized by the recent celebration of the seventh centennial of the death of St. Francis. The Fascist press explained that there was no real difference between the Franciscan and Fascist philosophies, that both preached renunciation of self and the subservience of individual interests to the general welfare of the community. Fascist newspapers also made much of the participation of Cardinal Merry del Val in company with State authorities in the celebration at Assisi and of the veto put by Mussolini on the usual commemoration, so offensive to the Vatican, of the anniversary of the occupation of Papal Rome by Italian troops.

The connection of Fascism with the cultural development of Italy as well as with the Church was stressed in the establishment of an Italian Academy. This academy, it was announced, is to be really Italian, and not an imitation of academies in other countries. Its inauguration was planned as a part of the celebration of the March on Rome.

In anticipation of this anniversary, Mussolini reiterated with great emphasis the battle-cry of "deeds, not words." Fascist speeches should be less florid and consist to a greater degree of facts and dates and figures. There resulted, accordingly, much enumeration of Fascist achievements. The organization claims nearly a million and a half adherents. Of these nearly a million are regular full-fledged Fascisti, some 50,000 are women, over 200,000 Advance

Guards, or junior Fascisti, and about 270,000 Balilla, or boy Fascisti. This does not take account of the Fascisti labor unions, said to number 3,000,000.

In recounting the achievements of Fascism as well as its numbers, the Fascist newspaper *Tribuna* extolled the many-sided success of the new régime in social legislation, civil administration and colonial expansion. According to the *Tribuna* the Government has suppressed vice, closed gambling houses, controlled the drug traffic, checked contagious disease, improved public health, inaugurated penal legislation, reformed civil procedure and maritime law, improved railroad service, decreased unemployment, instigated public works, developed aviation and negotiated a network of commercial treaties and vastly increased colonial commerce.

The anniversary of the advent of Fascism was commemorated throughout Italy with a four-day celebration from Oct. 28 to Oct. 31. Schools were closed, leading members of the party were delegated to speak at the more important cities and great stress was laid on youth as the hope of the future. On Oct. 28, in the presence of a huge throng in the Coliseum, Mussolini reviewed the achievements of Fascism as follows:

The fourth celebration of the "March on Rome" finds the Fascist Government in a formidable position of power in the interior and prestige throughout the entire world.

All the forces of the party and the Government, the militia, the labor unions, the youthful and the cultured elements, all have contributed in a period of splendor to make the Fascist system strong as a granite mountain against which falls flat the rancor of the dispossessed, the plots of criminals, impotent calumnies.

The Fascist régime has established itself during the past years as an impregnable structure. In present times the life of individuals and of peoples is a little too fast, and it is necessary today to arrest it briefly, like a halt during a march, just long enough to review the work accomplished in the course of one year.

This work is imposing. In the political realm fundamental changes have been realized, conforming to our own doctrine, notably, the creation of a Governorship of Rome, which has given the capital the place of priority due her, historically and nationally.

Here is a group of laws which have changed the physiognomy of the State: A law defining the attributions of the Prime Minister; laws against bureaucracy and secret societies; a law on the faculty of the executive power; juridical rules governing the periodical press; laws relating to the conduct of the commission for the reform of the legal code for the protection of motherhood and infants.

The *coup de grâce* was dealt to semi-suffrage by extending the power of the Provincial Prefects and the establishment of Podestas in villages and towns.

The first civilian air forces are grooving through Italian skies and will be increased. I do not exaggerate if I say that today the whole armed forces of the nation are at their highest point of efficiency with regard to morale, discipline and preparedness.

In the domain of social and economic activities, the work of Fascism has been redeeming. The Fascist system gave to Italy in three months a law on the rights of authorship to literary men and artists, after they had vainly tried to obtain it for thirty years. We have created provincial and national economic councils and the National Institute for Exports and bureaus and scientific bodies for the development of our national resources.

Now, after thirty years of debate, we have accomplished unification of banks of emission into one bank, an essential reform.

We are enlarging and utilizing the ports of Genoa, Leghorn, Civitavecchia, Naples, Palermo, Catania, Gagliari, Bari, Ancona, Ravenna, Venice, Trieste and Fiume. The Italian merchant marine by pure pluck has won second place in Europe's mercantile fleet and fourth rank in the world's tonnage.

We have created a syndicalist-corporative State of thirteen federations, uniting millions of producers, something never done in history before, and that State has a vast base. The creation of the Ministry of Corporations, of which I am the head, is a new feat in the constitutional life of Italy.

We have also organized systematic exploration of our soil to determine the existence of iron and petroleum. The work of reclamation continues actively. The Pontine marshes, which for 2,000 years awaited reclamation, are soon to be a salubrious and fertile zone, traversed by a direct Rome-to-Naples railway, which will be opened to traffic next year.

In the field, the farmers enlisted by Fascism with enthusiasm have won the battle of grain, producing 60,000,000 quintals, which demonstrates that victory is possible and will be attained.

The Fascist Government, after having settled

the debts with the United States and Great Britain, concluded a treaty of commerce, amity and navigation with Yugoslavia, and a pact with Great Britain concerning common interests in Abyssinia, a treaty of commerce with Siam, an arbitration pact with Spain and one with Rumania, a treaty of commerce with Guatemala, a treaty of friendship with the Yemen (Arabia).

I ask if there ever was in Italian history such an amount of work achieved in one year? Black Shirts, the work accomplished in four years is truly great. But that is not enough. We have only started, and much remains to be done. All this requires more time, more efforts, more sacrifices to change in its entirety the physical and moral aspects of our country. The battalions must always be: "Discipline, concord, political and moral intransigence."

Having changed the laws we must reform our morale—those traits which remain from the old and petty-democratic liberal Italy. These must be eliminated without compassion from our minds and destroyed forever. They manifest themselves yet under the guise of selfishness, profiteering, opportunism and other useless things. Fascists, on the other hand, must be the sanctuary of loyalty, disinterestedness, probity, courage and tenacity.

All those affected by this old malady must be banished from our army; they must be weeded out before the grain is harvested; they must perish so that our new aristocracy may live for the greater task of the morrow.

Black Shirts! These tasks will find you ready. Today you are in arms in hundreds of thousands. Your bayonets not only represent the Government, but the whole Italian people.

We announce to the world this truth: The Fascist revolution comes from the moral patrimony of the Italian people and will make Italy great.

A few days before this anniversary, in an address at Perugia on the occasion of the inauguration of the Foreigners' University, Mussolini pointed out one line which this greatness must take. He chose as his theme the development of ancient Rome and showed how the Romans, who were originally a pastoral people, after conquering the whole of Italy realized that their only hope of dominating the world lay in becoming a great naval power. This was the field on which Italy must expand if she wished to maintain and develop prestige and influence in the world. "Rome's power," he concluded, "was the result of long sacrifices, of unshakable faith, of steadfast tenacity. These virtues, which

made nations great yesterday, will again make them great tomorrow and always."

DUCE AGAIN ESCAPES ASSASSINATION

In the final day of the celebration the festivities centred at Bologna, where the occasion was marked by the opening of an immense stadium to be devoted to all kinds of sports and by the presence of Mussolini himself. Just as he was leaving the stadium amid the acclamations of a vast assemblage, he was shot at by a youth in the crowd and narrowly escaped death. As on other similar occasions, he showed the utmost calm, while the crowd was moved to frenzied enthusiasm for him and rage against his assailant, who was done to death on the spot. This, the fourth attempt on the life of Mussolini within a little over a year, furthered the popular belief that he is a "Man of Destiny" and led to immediate demands that he be protected in spite of himself and that his assailants be punished with death. It was reported that the police on the eve of the demonstration at Bologna put 2,000 suspected persons under strict surveillance and seized a large number of manifestos reading, "The Duce will not leave Bologna alive." A far-reaching Communist plot was further alleged to have been discovered. The result was an outburst of violence throughout Italy against anti-Fascisti, leading to the death and injury of many persons. Opposition newspapers were suspended, the licenses of others revoked, the offices of such newspapers and the houses of well known opponents of Fascism were wrecked, including the homes of the philosopher Croce, the dramatist Robert Bracco, and the politician Labriola, and arrests were made by the hundred.

REPRESSIVE MEASURES

Meanwhile the Cabinet Council took rapid action and on Nov. 5 approved a long series of emergency measures of extraordinary severity. They include the death penalty for any one attempting the life of the sovereign or the head of the State, or any one guilty of treason, espionage or armed rebellion. The death penalty was not, as at first rumored, made retroactive, but offenders will be tried by a spe-

cial military court. This practically amounts to court-martial. Other measures make any form of opposition to the Fascist régime, either by word or deed, illegal and punishable with heavy terms of imprisonment. Not only are all Opposition newspapers and publications suppressed and all Opposition parties, associations or organizations outlawed, but it is even forbidden to make any effort to resuscitate them under a different name.

A further measure is reported as follows:

Any citizen who spreads or communicates abroad under any form, false or exaggerated news or reports on the internal conditions of the country in such a way as to impair the credit or prestige of the State abroad, or who in any shape or form indulges in activities of such a nature as to harm the national interests, is to be punished with from five to fifteen years' imprisonment and with perpetual debarment from public offices.

In addition, provision is made for special police surveillance and for the establishment of a special office of political investigation. Furthermore, Mussolini, besides all his other portfolios, is taking over the Ministry of Internal Affairs, which will make him the direct chief of all the Italian police forces and will enable him personally to supervise the application of the laws.

These are, however, emergency measures. According to the statement of the bill they are for five years. It was passed in the Chamber on Nov. 9, by a vote of 318 to 10. A proposal by Deputy Turati, Secretary General of the Fascist Party, was also passed to unseat Communists and members of the so-called Aventine Opposition. This is the group which more than two years ago abandoned the Chamber as a protest against the killing of Matteotti.

The outburst of patriotism which followed the attempt to assassinate Mussolini led in several places to attacks on French consulates, notably in Tripoli and at Ventimiglia, a town on the Italian French border. The indignation to which such attacks gave rise in France was greatly increased by the arrest and reported confession of Colonel Ricciotti Garibaldi, grandson of the famous Italian patriot, and him-

self a leader of the anti-Fascist movement. According to the French police he confessed that he had accepted large sums of money from high officials of the Italian Government for fomenting plots against Mussolini and then denouncing the plotters to the Italian police. In addition to being an *agent-provocateur* he is said to have also admitted being in contact with Macia, leader of a Catalonian revolution, and to have furnished him with a number of Italians as reinforcements for the army which sought to invade Spain from France.

These reports, coming shortly after denunciations of France by Italy for harboring plotters, aroused a violent storm of indignation in the French press, which saw in the alleged revelations an attempt on the part of Mussolini to strengthen his position in Mediterranean affairs by creating division between Spain and France, and an evidence of double dealing of the basest kind. Premier Mussolini subsequently caused apology to be made for the insults to the French flag, and promised that a satisfactory explanation of the Garibaldi affair would be forthcoming.

One of the greatest financial operations ever attempted in any country, according to Italy's Finance Minister, Volpi, will speedily be effected in Italy, it was announced on Nov. 7, by the consolidation of more than 20,500,000,000 lire (about \$879,450,000) of the country's floating debt. The King has signed the decree authorizing the Treasury to issue a new loan, amounting to \$1,168,500,000, bearing 5 per cent. interest, which holders of the ordinary Treasury bonds, maturing in five or seven years, will be obliged to take in exchange for their bonds.

A recent decision of the Ministry of Internal Affairs bars women from holding the office of Podesta.

It was reported that from 1,000 to 2,000 priests had gone on strike in Trentino. The priests, who are paid by the Italian Government to give religious instruction in the schools, now protest their inability to comply with the Government's orders on the grounds that their pupils understand only German. The Prefect of the province disputes their claim and the priests have gone on strike.

Eastern Europe and the Balkans

Greece

THE election of a new Assembly on Nov. 7, to replace the one abruptly dissolved by General Pangalos last winter, took place under exceptionally favorable conditions. As a rule, one or more of the Opposition parties has boycotted the election, and the results could not be regarded as giving any true indication of the public will. Usually, too, the party in power has systematically intimidated voters. In the present instance, however, all parties participated, and special efforts were made to protect the voters and get a really representative expression of opinion. The election was held according to the plan of proportional representation.

Dozens of personal "parties" and factions played a part in the campaign, but most of them cut no figure in the results, and in the final analysis the contest was between two major groups, the Republicans and the Royalists. As reported on Nov. 8, the Republicans won 160 seats out of the total of 280, thus obtaining a substantial, if not impressive, majority. The victors comprised only a very loose combination of liberal parties and groups, but it was expected that upon the resignation of the Kondylis Government, ex-Premier Kafandaris, leader of the Progressive Liberals, would be able to construct a ministry broadly representative of the parties exclusive of the Royalists.

Six leading educators and business men of New York and New Jersey on Nov. 5 signed a petition for incorporation under the laws of New York to launch a \$2,000,000 educational project in Athens which will mark a revolutionary step in Greece's higher education. At an early date Mr. Albert W. Staub, American director of the Near East Colleges, will announce plans for raising in the United States a preliminary endowment fund of \$500,000 to establish on a solid foundation Athens College, a school for Greek students operated on the American university plan. Athens

citizens have pledged a like amount for building purposes, and a site of thirty-three acres has been donated.

Hungary

AFTER the publication of the Supreme Court's decision on the final appeal of the franc forgery case, on Oct. 16, Count Bethlen handed the resignation of his ministry to Regent Horthy. This was meant, however, to be only a gesture, with the object of giving the Regent a chance to express his confidence in the Government, his approval of its handling of the counterfeiting affair and his belief that it was in no way involved in the conspiracy. And when, according to schedule, the Regent, on Oct. 15, asked the ex-Premier to form a new Cabinet, thirty minutes only were required to obtain the reply that the desired Government was ready to begin work.

In its decision on the counterfeiting appeal the Supreme Court sustained the convictions obtained in the trial and first appeal courts, although it reduced the sentences of all the prisoners. The sentence of Prince Windisch-Graetz was changed from a term at hard labor to four years' imprisonment, and half a year was cut off the term of Chief of Police Nadossy. Fascist and irredentist societies were collecting signatures to a petition for amnesty for these two men.

Premier Bethlen had declared that the most urgent task confronting the Government was the re-establishment of the House of Lords on a new basis. The bill on this subject had, however, met with determined opposition, not only from the Liberal elements but from the Legitimists. The bill, however, passed its third reading on Nov. 11, this being equivalent to acceptance. Under its terms the present House will have only 240 members, divided into six categories.

Much interest was stirred by an interview published late in October in the *Pesti Naplo*, in which M. Grozea, Minister for Transylvania, discussed the proposal for a union of Hungary and Rumania.

Poland

THE all-absorbing topic in late October and early November was the alleged plan of Marshal Pilsudski, who on Oct. 2 practically usurped the premiership, to make himself king. When, on Oct. 25, the Marshal set out for the estate of Prince Albrecht Radziwill at Miewswiez, ostensibly to decorate the grave of one of the Radziwill family, it was quite commonly believed in Warsaw that the actual purpose was to participate in a gathering of monarchists and prepare for a monarchist coup; there were, indeed, those who expected him to return with a crown. Matters did not move this fast, but the Marshal did come back with full assurance of the good-will of seventy of the country's most ardent and influential royalists; and it was reliably reported, and not denied, that the throne had been formally offered him. Throughout ensuing weeks evidence multiplied that the plot was developing; and public affairs shaped themselves in such a way as to smooth the path. An order issued by the Marshal that all members of the Sejm (Parliament) must stand up when a Presidential decree convoking the assemblage was read, was construed as a first step toward the introduction of a monarchist ritual; a seemingly hopeless tangle in which the reassembled Parliament promptly involved itself suggested at least a regency as the only way out; and a decree dictated by the Marshal on Nov. 7 gagging the press in a manner equaled only in Russia and Italy was understood to foreshadow stirring political events.

Meanwhile the situation roused strong public feeling. The Socialists, who supported the "revolution" of last May, indignantly turned their backs on the Marshal, and various other parties, as organizations, took offense on the ground that they had been hoodwinked or otherwise mistreated. But popular opinion was by no means entirely hostile. The ineptitude of the Sejm had roused a strong feeling of disgust, and great numbers of the citizens, having no genuine interest in politics and longing

only for a Government that will have unity, vigor and continuity, would not much object if the monarchists' plans were carried out. This must not be construed to mean, however, that republican sentiment is extinct.

Hope that the League of Nations had decided to take a hand in quieting Lithuania's belligerent attitude, which was held to be endangering the peace of Eastern Europe, was dashed when, on Nov. 4, a visit to Warsaw by President Kierstupp, League guardian of the port of Memel, proved to have no more important purpose than to inquire whether Poland would be willing to ship coal through Memel if Lithuania guaranteed to let the cars pass through in bond. Poland considers herself at peace with her eastern neighbor, but Lithuania maintains that a state of war has existed ever since the Council of Ambassadors in 1923 fixed the Polish-Lithuanian boundary in such a manner as to give Vilna to Poland. Lithuanian soldiers maintain a continuous border patrol, while all trade on the frontier is at a standstill and Memel, once a prosperous port, languishes for want of cargoes.

Rumania

QUEEN MARIE and her suite sailed from Cherbourg on Oct. 12 and landed in New York six days later, bound on a tour planned to take the party into many sections of both the United States and Canada. The trip was carried out successfully and afforded opportunity for much felicitation between Rumanians and Americans. A persistent rumor that the real purpose of the visit was to prepare the way for a loan was officially denied.

The meeting and reconciliation of Queen Marie and Prince Carol in Paris, on the eve of the Queen's departure for America, were declared to have been of a purely personal nature and quite devoid of bearing upon the young man's abdication of, and later exclusion from, the succession. Carol's four-year-old son Michael remains the legally designated heir. F. A. O.

NATIONS OF NORTHERN EUROPE

Finland

THE referendum on prohibition in Norway, which seems likely to end in repeal of the Norwegian prohibition law, had an immediate effect in Finland, the anti-prohibitionists being thereby encouraged to agitate against Finland's law. Reports from Helsingfors indicated that the Finnish Parliament would soon give reconsideration to the issue, but probably those factions in Parliament which now support prohibition will continue to do so for political reasons.

Lithuania

THE following is the text of the non-aggression treaty between the Lithuanian Republic and the Union of Soviet Socialist Republics, which was signed in Moscow on Sept. 28, 1926:

The President of the Lithuanian Republic, on the one hand, and the Central Executive Committee of the Union of Soviet Socialist Republics, on the other, being convinced that the interests of the peoples of Lithuania and of the Union of Soviet Socialist Republics demand constant collaboration based upon confidence, and with the object of cooperation, to the extent of their powers, in the maintenance of general peace, have agreed to conclude a treaty for the development of friendly relations existing between them, and for this purpose have appointed as their authorized representatives: ***

Article 1—The Peace Treaty between Lithuania and Russia, concluded at Moscow on July 12, 1920, all the decisions of which preserve all their force and inviolability, remains the basis of the relations between the Lithuanian Republic and the Union of the Soviet Socialist Republics.

Article 2—The Lithuanian Republic and the Union of Soviet Socialist Republics mutually pledge themselves to respect, in all circumstances, the sovereignty and territorial integrity and inviolability of each other.

Article 3—Each of the contracting parties pledges itself to abstain from any aggressive actions whatsoever against the other party.

In the event of one of the contracting parties, notwithstanding its pacific behavior, being subjected to attack on the part of one or several third Powers, the other contracting party pledges itself not to extend support to that one or several third Powers in their struggle against the contracting party subjected to attack.

Article 4—If between third Powers there should be formed a political agreement directed against one of the contracting parties, or if in connection with a conflict of the character mentioned in Article 3, Clause 2, or else,

when neither of the contracting parties shall be involved in armed collisions, there should be formed between third Powers a coalition with the object of subjecting one of the contracting parties to an economic or financial boycott, the other contracting party shall not adhere to such an agreement or to such a coalition.

Article 5—In the event of the occurrence of a conflict between them, the contracting parties agree to appoint conciliation commissions, if they should not succeed in settling the conflict by diplomatic means.

The composition of the conciliation commissions, their rights and the procedure which they shall follow will be determined by a special agreement which will have to be agreed upon.

Article 6—The present treaty shall be subject to ratification, which must be effected within six weeks from the day of its signature. Exchange of ratifications shall take place in the city of Kaunas. The treaty is drafted in the Lithuanian and Russian languages. In its interpretation both texts are regarded as authentic.

Article 7—The present treaty comes into force from the moment of the exchange of ratifications and shall remain in force for a term of five years, with the exception of Articles 1 and 2 of the present treaty, the term of whose efficacy is unlimited.

The effect of the present treaty shall be extended automatically each time by one year, if one of the contracting parties, at least six months before the expiration of the treaty, does not express a wish for the opening of negotiations on a further form of political reciprocal relations of both States.

[Here follow the signatures of the Lithuanian and Russian representatives.]

In connection with the signing of the treaty, Mykolas Slezevicius, the Lithuanian Premier and Acting Foreign Minister, and G. V. Tchitcherin, the Soviet Foreign Minister, the same day exchanged notes. The Lithuanian note was as follows:

1. Both Governments have considered the principal questions connected with the adherence of Lithuania to the League of Nations. The Lithuanian Government, in the negotiations on the conclusion of the treaty and its signature, has proceeded from the conviction that the principle laid down by them in Article 4 of the treaty, of non-participation in the political agreements of third Powers, directed against one of the contracting parties, cannot prejudice the observance of the obligations for Lithuania emanating from the Covenant of the League of Nations.

2. The Lithuanian Government is convinced that the adherence of Lithuania to the League of Nations cannot hinder the friendly development of the relations between Lithuania and the Union of Soviet Socialist Republics.

3. At the same time, the Lithuanian Government adheres to the opinion that, having in view the geographical position of Lithuania, the obligations for Lithuania emanat-

ing from the fact of her belonging to the League of Nations, which, in conformity with its fundamental idea, is called upon to regulate international differences in a peaceful and an equitable manner, cannot prejudice the striving of the Lithuanian people for neutrality, which most of all corresponds to its vital interests.

The Russian note was as follows:

Being immutably guided by the desire to see the Lithuanians, like every other people, independent, with regard to which the Government of the Union of Soviet Socialist Republics has made repeated declarations in its démarche, and also in conformity with the note of the Soviet Government of April 5, 1923, addressed to the Polish Government, and in conformity with the sympathies which the destinies of the Lithuanian people evoke in the public opinion of the workers of the U. S. S. R., the Soviet Government declares that the present violation of the Lithuanian frontiers, which has taken place against the will of the Lithuanian people, has not changed its attitude to the territorial sovereignty defined by Article 2 and note thereto of the Peace Treaty of July 12, 1920, between Russia and Lithuania.

After Lithuania's negotiation with the Soviet Government of this treaty of non-aggression, a Lithuanian delegation proceeded to Moscow to arrange a trade agreement with the Soviet Union.

While Polish newspapers accused Lithuania of violating the Treaty of Versailles by making with the Soviet Union a treaty, in which it is implied that Vilna is part of Lithuania, the Polish Government dispatched a note to Moscow to give the impression that Poland seeks no quarrel with the Soviet Government over its endorsement of Lithuania's claim to Vilna.

The problem of Vilna has become a strangely tangled affair. By the treaty of peace with Lithuania of July 12, 1920, the Soviet Republic of Russia (not the Soviet Union) clearly recognized Vilna as part of Lithuania, but stipulated: "The frontier line between Lithuania and Poland and between Lithuania and Latvia will be fixed by arrangements with these States." (One need hardly say that title to Vilna could not at one and the same time be Lithuanian and subject to determination.) Then, on March 13, 1923, however, the Conference of Ambassadors, acting under the authorization of the Treaty of Versailles, seemed to give the approval of the Allies to the coup in Vilna of the Polish General Zeli-

gowski by recognizing the boundaries of Poland as including Vilna. Poland readily seized upon that support and since then has refused to discuss the matter with Lithuania.

The Soviet authorities, on their part, can, of course, argue that Vilna was awarded to Poland by the Council of Ambassadors—in which body neither Poland nor Lithuania had official representation. They may contend that, in consequence of Poland's acceptance of the award, Soviet Russia was released from the restraint upon its own actions implied in the Soviet-Polish treaty which confined the decision with respect to Vilna to Poland and Lithuania. The Soviet Government was now free to endorse the Lithuanian claim.

Throwing aside these considerations, we may say with much assurance that Russia does not care to give offense to Poland over the matter of Vilna, but, on the other hand, neither does Russia care to deprive itself of advantages to be obtained from cordial relations with Lithuania. That, nevertheless, the course of Soviet diplomacy has been sagacious seems evident from the fact that the Polish Government is not at all anxious to make any issue of the recent pact between Lithuania and the Soviet Union. After all, what if the Soviet Government does acknowledge the Lithuanian claim to Vilna? Poland has Vilna. And a Soviet admission of Lithuanian claims is not a Soviet promise to put Vilna in Lithuanian hands.

Latvia

THE Soviet Government is following up its negotiations with Estonia and Finland for pacts of non-aggression with an effort to obtain a similar agreement with Latvia. There is more than political importance to the negotiations, for during the past five years the Soviet Commercial Mission at Riga, Latvia, has bought goods valued at approximately \$17,000,000, and has sold Russian goods worth about \$48,500,000—a trade which has not included transit operations through Latvian ports.

A. B. D.

Other Nations of Europe

Spain

S TILL another plot to overthrow the Spanish dynasty and establish an independent Catalonian State was brought to nothing on Nov. 2 when French police arrested the active leaders of the movement at Perpignan, a small town near the Spanish border. The unusual importance of the plot was shown by the fact that within a few days more than one hundred persons implicated were taken into custody.

The conspirators had planned to cross the Spanish border on Nov. 3, and march on Barcelona, and they counted for success on drawing into their movement large numbers of men from the towns through which they would pass. Although the French police believed that they had apprehended nearly all those who had joined in the plot, other reports declared that between 400 and 600 men who had expected to take part in the march into Catalonia were still in hiding, scattered about among the small towns in the Pyrenees.

The conspiracy, according to the French police, was under the direction of Francisco Macia, a former Spanish Deputy, who had been exiled several years before on account of separatist activities and who had given his parole to the French police not to approach the Spanish frontier. Macia was arrested in his bedroom in a villa in the Pyrenees at daybreak on Nov. 4 by secret service agents who had surrounded his headquarters in a heavy snow-storm during the night. Machine guns, rifles and thousands of rounds of ammunition were found in the cellar of the villa.

Although the arrest of Colonel Macia and his immediate supporters was believed to have ended the revolutionary movement, observers pointed out that separatist aspirations had existed in Catalonia, the richest province of Spain, for more than two hundred years, and that, especially during the past six years, the desire for an autonomous Catalonian

State appeared to be becoming stronger.

The continuance of absolute censorship of the Spanish press, which permitted no paper, except the organ of the Patriotic Union and the two Right Wing journals that stanchly support the Marquis de Estella in his dictatorial régime, any expression of political opinion, made it impossible to discover a real voicing of public opinion on the state of affairs in Spain. Obviously a great deal of interest was aroused by the announcement on Oct. 26 that Premier de Rivera intended to convene the proposed National Assembly before the end of November. The public was not hopeful, however, that the proposed body would bring back constitutional government in Spain.

Portugal

THE Government of Portugal, under the leadership of General Carmona, while fully prepared to meet any attempts at insubordination or revolt, showed no desire for revenge on its political opponents. On the contrary, it displayed a willingness to avail itself of the services of men of proved ability even though in some cases they had belonged to the party which the present Government, during June and July, unseated by force. General Gomes da Costa, the hero of the June *coup d'état*, who fell from power early in July after his dictatorial methods had cost him the support of the army, and who was succeeded by General Carmona, was made a Marshal of Portugal, with the considerable salary attached to the office, an honor which, since the time of the Duke of Saldanha, had been bestowed only on reigning monarchs. Dom Manuel was the last Marshal of Portugal. Dr. Alvaro de Castro was appointed High Commissioner of Mozambique, although he was one of those arrested and confined on board a warship soon after the June revolt had gained headway. Many less conspicuous cases might be cited. The country and the

army appeared to have confidence in the Government and the country's finances showed a slight improvement since General Carmona assumed power.

Denmark

RUMORS of an intended *coup d'état* in the District of Schleswig caused a mild stir throughout Denmark on Oct. 10. An active campaign for home rule, supported chiefly by discontented farmers of the region, appeared to be the foundation of the report. The farmers alleged that the Danish Socialist Government, in the face of depressed agricultural conditions, was imposing upon them unjust and ruinous taxes. Two of the leaders of the movement were arrested on the charge of inciting to mutiny officers of the Danish army.

Cornelius Petersen, recently sentenced to three months in prison for slandering Premier Stauning, was at liberty awaiting the outcome of an appeal to the Supreme Court. As a part of his anti-Government campaign, Petersen called for an open air meeting in the city of Schleswig on Oct.

10 for the purpose of appealing to the League of Nations. He boasted that 10,000 persons would attend, and the Government heavily reinforced the local police in case of disorder and watched the situation carefully. Only about 1,500 came to the meeting.

The northern part of Schleswig, at a plebiscite held in 1920 in accordance with the Treaty of Versailles, voted to leave Germany and to be incorporated into Denmark. The southern part of the district voted to remain part of Germany.

Sweden

PRINCESS ASTRID of Sweden and Crown Prince Leopold of Belgium were married in the throne room of the royal palace at Stockholm on Nov. 4.

The Duke and Duchess of Brabant were reunited on Nov. 9 at Antwerp, where the new Crown Princess of the Belgians had landed from the Swedish cruiser *Fylgia*, and they proceeded immediately to Brussels, to be married once more at a Catholic ceremony. J. M. V. AND M. O.

Turkey and the Near East

By ALBERT HOWE LYBYER

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THE second session of the fourth Turkish Nationalist Assembly was opened at Angora on Nov. 1 with an address by President Mustapha Kemal Pasha. The members of the Opposition were absent to the number of sixteen, seven of them having been removed from the political arena through being hanged. The President emphasized his determination toward further progress. He stated that internal and external conditions were satisfactory.

A treaty of commerce between Turkey and Germany was signed at Angora on Oct. 29, on the day of celebration of the third anniversary of the republic. The new French Ambassador, Emile Daeschner, recently Ambassador to the United States,

was received by the President. Negotiations have advanced far looking to a treaty between Turkey and Greece in regard to the property of exchanged subjects. Negotiations have also been begun for an agreement between Turkey and Persia with mutual guarantees of security.

Hussein Jahid Bey has returned to Constantinople, having been pardoned by the President after spending sixteen months of a sentence of lifelong exile in the provincial town of Chorum. The most conspicuous and fearless of Turkish journalists, he so far incurred the displeasure of the Government as to be tried for high treason in December, 1923. Acquitted of this charge, he was convicted in another trial in May, 1925. Accused in August,

1926, of plotting against the President, he was acquitted and in the sequel pardoned.

A congress of Turkish scholars, consisting of 127 delegates, met recently at Baku. A documented report was presented showing that at least fifty-seven alphabets are in use for writing the various Turkish languages. The congress recommended the adoption by all Turks of the Latin alphabet, which is already in use in Azerbaijan. Estimates indicated that the total number of Turks in the world is about 35,000,000, of whom a majority, or about 20,000,000, live within the territories of the Russian Federated Soviet Republic.

The concession to a French company of the buildings and grounds of Yildiz palace, the former residence of Sultan Abdul Hamid II, for the opening of a casino after the type of Monte Carlo, became effective during the past Summer, and the first suicide as a result of gambling losses was reported at the end of October. A much more creditable enterprise was inaugurated at about the same time at Caesarea, where the Turkish national aviation league, with the cooperation of the German Junker Company, opened an airplane factory.

Egypt

THE Egyptian Chamber of Deputies fell into a heated discussion on Sept. 13, while discussing the budget of the State University, in regard to a book entitled *Pre-Islamic Poetry*, which was published in the Summer of 1925 by the professor of Arabic Literature, Dr. Taha Hussein. In a truly modern spirit Dr. Hussein took into account not merely questions of formal literary criticism, but also the ideas and superstitions of the days before the Prophet. He showed that many traditions and beliefs which were embodied in the Koran have been held for centuries in Arabia, and he implied lack of faith in some of the more unusual among them, such as the descent of the Kaaba from Heaven. The Administration of the Moslem University, El Azhar, had already influenced the Government to buy up all the copies of the offending book, and had compelled the author, under penalty of losing his position, to give forth a press statement

to the effect that he was a good Moslem and had intended no criticism of the doctrines of his religion. The debate in Parliament on this subject became so acrid that Adly Pasha, the Prime Minister, finally declared that if the Chamber should reopen the question the Government would regard the matter as a vote of want of confidence. A brief adjournment was carried, and the Cabinet, together with the Presidents of the Chamber and the Senate, held a midnight conference during which they agreed to drop and forget the matter. The question was not settled in this way, however, but merely transferred to the courts, in which the distinguished writer was brought to trial.

As a result of the discussions on the budget the proposed expenditure was reduced by about \$5,000,000. Nevertheless a deficit is expected of about \$12,000,000, which will have to be drawn from the surplus. One million five hundred thousand dollars of this sum will result from a reduction of one-fifth in the tax on cotton, which the Chamber voted against the wishes of the Government. The Deputies are thought to have been wise in so doing, on account of the serious crisis in business resulting from the low price of cotton in the markets of the world. Parliament adjourned on Sept. 20.

The cotton situation reached the stage of acute crisis in the last ten days of October. During the past four years the Government has endeavored to keep the situation stable by purchasing quantities of cotton during the picking season, with a view to keeping up the price. So much of this cotton as has been sold has yielded a considerable profit to the State. At the same time it has not proved possible to sell all that was purchased. During the season of 1925-26 the Government acquired about 55,000 bales at a cost of about \$13,500,000. In October heavy pressure was brought to bear to induce the Government to make further purchases. The decision was finally reached to buy no more but to lend money to the fellahin, or small farmers, at moderate rates of interest. A credit of \$20,000,000 or more was promised, the money to be advanced through the banks against the deposit of cotton in warehouses.

Another measure, which is less likely to cut into the Government's surplus, was announced on Oct. 28, namely, a proposed decree, applicable to foreigners and Egyptians alike for a period of three years, which will limit the area devoted to cotton to one-third of the cultivable land of Egypt. These measures did not immediately allay the panic or stay the demand for governmental purchase of cotton.

At the end of October the appointment was announced of Sir John Loader Maffey to be Governor General of the Sudan.

Transjordania

IN consequence of prolonged agitation on the part of notables and tribal Sheikhs for the establishment of a Legislative Council, the Emir Abdullah at the end of October summoned two representatives from each district to meet at Amman and prepare an electoral law. He authorized the publication of an independent semi-weekly newspaper in addition to the weekly official paper.

Palestine

CONVERSATIONS took place in August between Mr. Mills, Acting Chief Secretary of the Government of Palestine, and a group of Arab notables. The local press reported that four meetings were held, but that the written summary prepared by Mr. Mills was a disappointment to the Arabs. They were said to have demanded the formation of a Parliamentary Government with an executive council, a chamber of notables and a house of representatives. Several Arabs were to serve on the council, a portion of the notables might be British officials appointed by the High Commissioner, and the lower house was to be elected on the basis of one representative for each 20,000 or 25,000 of the population. Both houses might initiate legislation except on fiscal and international questions. Moslem, Christian and Jewish citizens of Palestine might vote separately for their proportion of the representatives.

Criticism of the discussion from the standpoint of the Arabs was that the no-

tables represented no particular organization, and on the part of the Jews that discussions were held more or less in secret, and that opponents of the Jewish National Home were consulted, while reference to that project was concealed within the phrase, "British international obligations."

Arabia

KING IBN SAUD published a constitution for the Hedjaz at Mecca on Aug. 29. Section I reads: "The kingdom of the Hedjaz within its known frontiers is one and indivisible. It is a monarchy consultative, Moslem, and enjoying full sovereignty, both internal and external. Its capital is Mecca and its official language Arabic." The remaining four sections provide that the entire administration shall be in the hands of Ibn Saud, who is limited by the Moslem law to rule in accordance with the Koran, the traditions of the Prophet, and the usages and customs of the Prophet's companions and worthy ancestors. The King will nominate a Lieutenant General or Viceroy, with councillors and chiefs of public departments. These are six, namely, religion, the interior, foreign affairs, finance, public instruction and the army. A great council at Mecca, composed of the Viceroy, his advisers and six personages appointed by the King, is expected to meet weekly for the consideration of business. Administrative councils will be created at Jeddah and Medina. Local councils will be set up in each district and commune. An auditing commission will be set up, composed of a Chairman and three members, to control the finances of the State.

King Ibn Saud has issued strict orders that his Wahabi subjects shall destroy no more tombs of Moslem saints, and has given official contradiction to the rumors that he intends to tear down the tomb of the Prophet Mohammed at Medina.

The treaty of friendship between Italy and the Yemen, which was signed Sept. 2 by the Iman Yahya and Signor Gasperini, Governor of Eritrea, representing the King of Italy, opens with a recognition by the Italian Government of "the full and absolute independence of the country of the

Yemen and of its sovereigns," with a promise of non-intervention "in any manner contrary to the first paragraph of the present article." The remaining articles contain an undertaking to facilitate mutual commercial relations, an arrangement by which Italy will furnish the Yemen with "supplies, technical instruments and materials, which can advantageously help the economic development of the Yemen, and technical personnel." This arrangement is not exclusive as regards the right of the Yemen to deal freely with other countries. After ratification the treaty is to remain in force for ten years. The document appears to involve the possibility of an ultimate large control by Italy in the affairs of the Yemen.

Persia

THE Cabinet crisis was resolved late in September after the refusal of Mota-men ul Mulk to accept the Premiership. All parties in the Parliament agreed to support Mustofi el Mamalek, and he resumed duty after two changes in the Cabinet.

The Government announced a program of progressive character and wide scope, such as will demand not one but many years for its fulfillment. Reservoirs and dams are to be constructed for improvement of irrigation; the export of cotton and silk and other raw materials is to be developed. Concessions to Persian capitalists for utilizing natural resources are to be encouraged. Roads are to be improved and railroads built. Crown jewels and Government lands are to be sold gradually to obtain funds for the establishment of an Agricultural National Bank, which will have a pawnbroking department, a feature that will be very helpful under the present economic conditions in the country.

The press statements to the effect that the revenues from sugar and tea were to be used for the establishment of the Agricultural National Bank were inaccurate. These funds are being set aside for the construction of railways, and cannot be diverted to another purpose except by act of Parliament.

Shah Pehlevi has sent out invitations to

all Islamic countries for a conference at Teheran to consider conditions in the Hedjaz and the care of the Holy Places. Following upon the congresses with similar objects at Cairo and Mecca, this gathering will probably consist mainly of Shiite Mohammedans, who are to be found mostly in Persia and Iraq. Their hostility to the Wahabis and the refusal of the Persians to be represented at the Mecca Congress make very difficult the problem of their influencing the actual situation in the Hedjaz.

Riots were reported in Teheran late in October in opposition to the application of the conscription law. The Government maintained enforcement vigorously, with the aim of building up a sufficiently strong army to put an end to the recurring revolts and establish order in all Persia. The need for this was illustrated by the reports of difficulties along the main road between Bagdad and Persia, where near Kermanshah the Shah's forces were said to be engaged both against bands of brigands and supporters of a pretender to the throne.

Syria

THE new High Commissioner, Henri Ponsot, arrived at Beirut at the beginning of October. He subsequently paid a visit to Damascus, that part of the Druse Mountains which is occupied by the French, and the Southern Lebanon.

Fighting on a small scale was reported in October both in the Druse Mountains and the Damascus area. Apparently both sides in the struggle are awaiting the proposal of measures by the new High Commissioner.

Iraq

PROGRESS is reported in the projects for an Agricultural Bank and the establishment of a native currency. The latter is expected to be based on the gold dinar, to be worth about \$2.50.

The prosperity of the Anglo-Persian Oil Company is indicated by cash dividends of 17½ per cent. for the last financial year, besides a stock dividend amounting to one share for every two already issued.

The Far East

China

THE Cantonese under Chang Kai-Shek, having taken Wuchang on Oct. 10, passed through Kiukiang on Nov. 6 and laid seige to Nanking on Nov. 10. Another Cantonese force was said to have taken Changchow in Fukien Province on Nov. 5 and Fenk Yu-hsiang from the north was reported to have driven Wu Pei-fu's troops away from Sianfu in Shensi Province on Nov. 10. If Feng's drive south continues through Honan Province, Marshal Sun Chuan-fang will find himself attacked from three sides, and unless Chang Tso-lin comes to his assistance as was anticipated on Nov. 7 the Cantonese are likely to take Shanghai.

The Wahnsien affair was the subject of a statement by Chao-hsin Chu, Chinese delegate to the League of Nations Assembly on Sept. 24. After presenting to the League library a complete set of the Chinese Encyclopedia, Mr. Chu narrated the Wahnsien incident and said his Government had issued instructions to settle the matter peacefully, but "since it is such an extraordinarily serious incident of international importance, which if developed would endanger the peace of the Far East," he had been instructed to inform the Assembly. Viscount Cecil of Great Britain expressed "some astonishment" that such a statement should be made without previous intimation, disagreed with the facts, hoped for a peaceful settlement, but thought such a settlement would not be "in any way assisted" by a statement of the kind just listened to.

On Nov. 2 the Chinese Foreign Office formally protested to Great Britain against the bombardment of Wahnsien. General Yang Sen, who had been formerly associated with Wu Pei-fu, and whose seizure of two British merchant vessels led to this incident, was appointed commander of the Twentieth Cantonese army on Oct. 11. It is said that Yang Sen seized the British vessels because they had unloaded arms intended for Wu's forces at a port which had fallen into Cantonese hands.

After lasting sixteen months the Cantonese boycott against British goods came to an end on Oct. 11. Surtaxes of 2½ per cent. on ordinary imported goods and 5 per cent. on luxuries were levied by the Cantonese authorities at the same time and as these are to be enforced by inspection of ships before unloading they are thought to violate the treaty privileges of the Chinese maritime customs administration under international control. The United States is said to have formally protested on Oct. 14.

After receiving a definite refusal from Belgium to negotiate a new treaty based on "equality and reciprocity," China on Nov. 16 abrogated the Sino-Belgium treaty of 1865. This was done by a presidential order annulling the treaty as of Oct. 17 and instructing Foreign Minister Wellington Koo to conclude a new one on the basis of equality and mutual respect for Chinese sovereignty and directing full protection to rights of Belgian nationals and officials in accordance with international law. Belgium had asked that the question of China's right to abrogate the treaty be submitted to the Permanent Court of International Justice at The Hague. She claims that under Article 46 Belgium alone can denounce the treaty. By its own terms the treaty is renewable every ten years and a ten-year period expired on Oct. 27, 1926. Extraordinary interest is attached to this case because it is thought to be a preliminary to similar action with respect to existing unequal treaties with the United States, Great Britain, France, Italy and Japan. On Oct. 20 China is said to have dispatched a note to the latter with regard to revision on a basis of equality of the unequal treaty of 1896, which becomes subject to revision on Oct. 19, 1927.

The situation of foreigners in Szechuan Province was reported more serious in October and a general evacuation was contemplated. Thirty-one missionaries were held as hostages in Sianfu, capital of Shensi Province, on Oct. 12. Three missionaries were seized at Miliwan in Hunan

Province on Oct. 14. Rev. C. F. Davies, an Australian, carried off by bandits on Sept. 15, was released on Oct. 15. Colonel Carmi Thompson, President Coolidge's emissary to the Philippines, narrowly escaped being wrecked through destruction of a bridge south of Nanking by military operations. The train following his was wrecked. Colonel Thompson is traveling extensively in China to compare conditions there with those of the Philippines. Bishop T. A. Scott of the Church of England mission was captured by bandits near Wulaihsien, Shantung Province, on Oct. 28. On Nov. 2, M. Robert, French Consul at Lung-chow in Kwangsi Province, was reported killed by bandits.

These incidents illustrate the remarks of Silas Strawn, American representative on the recent tariff conference and the extra-territoriality commission before the Chicago Association of Commerce on Oct. 27, and before the industrial and commercial clubs of Chicago on Nov. 4. Mr. Strawn attributes China's difficulties not to foreign imperialism or unequal treaties but to the want of power in the Government, the dominance of war lords actuated by "greed and aggrandizement" and the chronic banditry, disorder and insecurity resulting from these conditions.

Japan

THE Japanese yen, which fell below par on account of the heavy imports after the earthquake, has been strengthened through a policy of national economy and was quoted at 48.75 in October. A return to gold exchange was expected soon.

The Nippon Nominto (Japanese agrarian party) was organized on Oct. 18 at a meeting of 800 delegates representing 100,000 landlords and tenant farmers. The platform includes national monopoly of agricultural products, fertilizers, water power, hospitals, pharmaceutics and insurance. Though its socialistic tendency is looked upon with concern by the Conservatives it is less radical than the Rodonominto (Labor-Farmer party) which was organized at Osaka in March, and includes labor unions as well as farmers. Communist groups are carefully excluded from

the party to avoid the fate of the Labor party organized by Professor Abe of the University of Wasada a year ago and dissolved by the police because infected with "dangerous thought." The Labor-Farmer party platform calls for political, economic and social emancipation of the proletarian classes, prevention of unfair distribution of wealth, reduction of armaments, universal equal suffrage, popular control of diplomacy, free education, abolition of racial discrimination in the colonies, establishment of right to strike, abolition of consumption taxes and tariff on necessities and overthrow of the established parties "which represent only privileged classes."

A Korean named Kinchocan on Oct. 14 confessed the details of a plot to blow up certain embassy buildings in Tokio in order to embroil Japan with foreign powers and afford an opportunity for Koreans to revolt. Kinchocan was arrested in connection with Bokuretsu and his wife, Fumiko, who were sentenced to life imprisonment for plotting to kill the Japanese imperial family.

The Japanese land law passed by the Diet in the Spring of 1925 was put in effect on Nov. 10. Under it all aliens can own land in Japan except in areas designated "necessary for national defense." A proviso makes it possible by additional ordinance to exclude from this privilege nationals of States which do not reciprocate.

On Nov. 1 a compromise was reached between the Navy and Finance Departments on naval policy. The former desired to spend 294,000,000 yen in four years for four 10,000-ton cruisers, sixteen destroyers, five submarines, four river gunboats and five special duty ships. The Finance Ministry thought 170,000,000 yen should be the limit, but the compromise provided 258,000,000 yen to be spent in five years and omitted one gunboat and the five special duty boats from the list. The educational increase, equal to the navy increase, promised to the Seiyuhonto party last year did not materialize and this may mean withdrawal of that party's support from the Government followed by a fall of the Government and a dissolution on the naval issue.

Q. W.